

# Hawaii Marketing Effectiveness Study

DRAFT

2004 Quarterly Report

May 2004



the sixth sense of business™

# ***Purposes and Methodology***

# Research Objectives

---

- This is the fifth quarterly report of a tracking study for Hawaii. (The last report was the first annual benchmark from which future years will be compared and was the setup for measuring changes in importance factors).
- Over time, this research tracks the impact and effectiveness of advertising campaigns. Specifically, it measures and monitors changes in:
  - Awareness and Image of Hawaii and Competitors
  - Consideration of Hawaii as Destination
  - Intent and/or Actual Visits to Hawaii
  - Ratings of Hawaii and Competitors
  - Travel Patterns and Info on Hawaii Trip (Accommodations, Length of Visit, Frequency, Satisfaction)
  - Attributes/Situations Impacting Travel Plans as Needed

# Methodology

---

## Mail Surveys 2004:

- In Quarter 1, 2004 (January 5 through March 29), 325 surveys were mailed weekly in the US (175 in the East and 150 in the West). In Japan, potential respondents were pre-screened for past 2 years international leisure trips. Delayed somewhat, 164 surveys were mailed in late January, then 41 per week from 2/2 through 3/29. Overall, 4,225 questionnaires were mailed in the US and 533 in Japan.
- Qualified respondents have taken an overnight leisure trip of 500 miles (US) or an international trip (Japan) in the past 24 months.

# Mailout and Qualified Returns

---

	<u>Total</u>	<u>Eastern US</u>	<u>Western US</u>	<u>Japan</u>
<b>Quarter 4, 2004:</b>				
Mailout				
Qualified				
<b>Quarter 3, 2004:</b>				
Mailout				
Qualified				
<b>Quarter 2, 2004:</b>				
Mailout				
Qualified				
<b>Quarter 1, 2004:</b>				
Mailout	4,758	2,275	1,950	533
Qualified	1,385	482	468	435

# TNS Plog's Future Index™

Measures Direction and Momentum of Change in Travel Behavior

---

## Net Increase (Increase - Decrease) Stay the Same

Greater than zero = Growth

100 = “Net increase” = “stay the same”

Less than zero = Decline

-100 = “Net decrease” = “stay the same”

Note: If more respondents change than stay the same (very strong *momentum*), the index would exceed 100 or -100.

# TNS Plog's Future Index™ Example

---

Example: Eastern Hawaii Visitors (% from Q1, 2004)

25% increase – 7% decrease  
68% stay the same

=

18/68 = 27% (See Figure 15)

This represents improvement in travel expectations, but the score (27) is well below 100, indicating that the majority stay the same, i.e., moderately slow momentum. If the proportion had exceeded 100, then it would mean that more people change than stay the same, indicating very rapid momentum.

# Destination Satisfaction Index

---

- Description: Respondents indicate which destinations they have visited for leisure in the past three years and which ones they especially like. The percent who especially like a place (and who have visited it) is used to develop a satisfaction ratio.
- The approach offers a level “playing field.” That is, small destinations have the same opportunity to get high scores as larger ones since the number of visitors to a place does not matter -- only the percent who went home happy. A score of 100 represents perfection (everyone who visited a destination also especially liked it).
- It covers only destinations that were visited in the past three years, rather than all past vacation experiences, to ensure that perceptions are relatively current.



***Overview:***  
***Demographics and Travel Patterns***

# Hawaii Visitors vs. Other Travelers in 2004

---

- Quarter 1, 2004 Hawaii visitors across both US markets tend to be younger than total long-distance US travelers, continuing a trend observed in the previous two quarters. A reverse trend appears among Japanese Hawaii visitors, who tend to be just a shade older compared to total 2003 visitors.
- Within both US markets, Hawaii visitors report higher incomes than total long-distance air travelers, but the difference is less notable in the Japanese market.
- Visitors to Hawaii consistently take a greater number of trips than others in each of the three markets (except the Eastern US in Quarter 1, 2003).
- Compared to a year ago (Quarter 1, 2004 vs. Quarter 1, 2003) current Hawaii visitors from both US markets are younger and more affluent. Those from the East are traveling more, but travel remains about the same among those in the West.
- Hawaii visitors from Japan, as suggested above, are older than a year ago and their reported travel is slightly less (1.8 from 2.1 average trips).

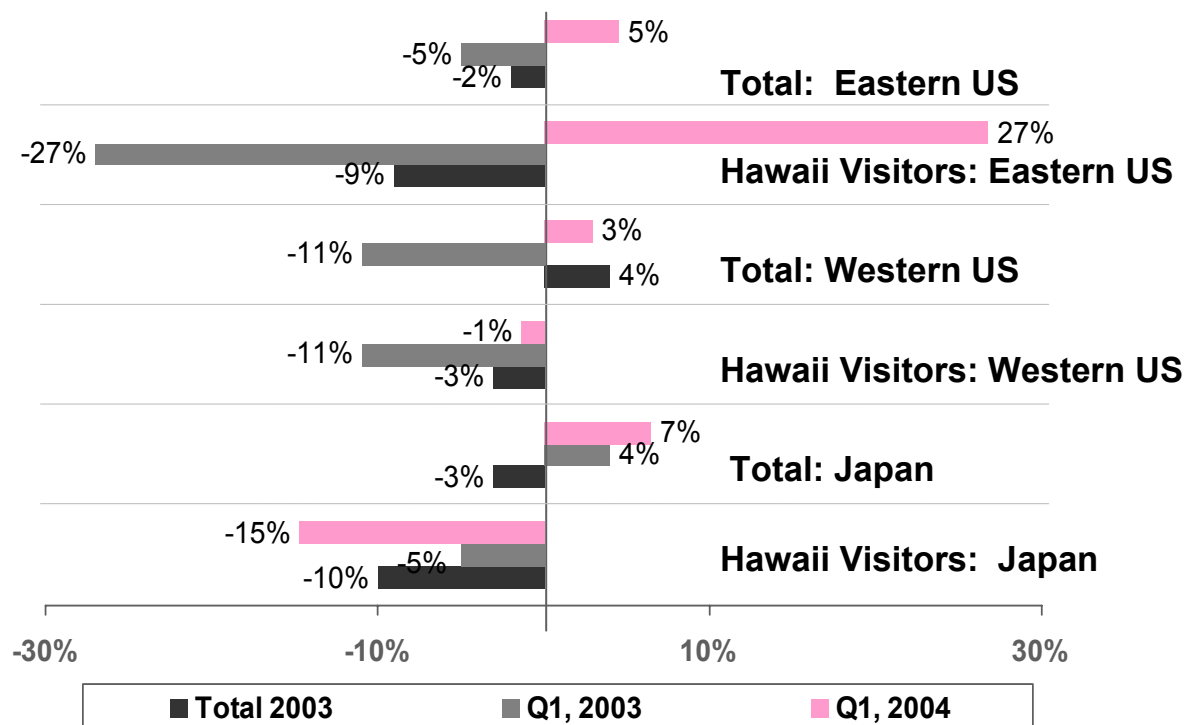
# Hawaii Visitors vs. Total Travelers

	Total All LD* Respondents	Hawaii Visitors Past 3 Years				
	Total 2003	Q1: Jan-Mar 03	Q2: Apr-Jun 03	Q3: Jul-Sep 03	Q4: Oct-Dec 03	Q1: Jan-Mar 04
<b>EASTERN US</b>						
Median Age	53	56	55	51	52	43
Median Income	\$55,700	\$65,200	\$67,000	\$71,300	\$76,200	\$69,500
# LD* Trips Annually	2.1	2.0	2.6	2.8	2.9	3.2
<b>WESTERN US</b>						
Median Age	52	55	53	52	49	46
Median Income	\$55,800	\$65,000	\$68,300	\$65,500	\$64,100	\$70,000
# LD* Trips Annually	2.2	2.6	2.5	2.7	3.0	2.5
<b>JAPAN</b>						
Median Age	42	40	42	41	42	45
Median Income	\$58,900	-	\$64,500	\$59,200	\$64,500	\$61,600
# Int'l Trips Past 2 Years	1.7	2.1	2.0	1.8	1.9	1.8

\*LD=Long-distance travelers: 500+ Mile Air Trip in Past 12 Months

# Overall: TNS Plog's Future Index™

- Travelers' initial (Quarter 1, 2004) viewpoint about vacations point to an upbeat travel year in the US. In every segment, the outlook is more positive than for 2003 (although still slightly negative among Western US Hawaii visitors).
- Although Japan, as a whole, is also more upbeat, Japanese Hawaii visitors' expectations worsen.



***Eastern US Market:  
Demographics and Travel Patterns***

# Eastern US Market: Demographics

## (Hawaii Visitors vs. Total 500+ Mile Air Travelers)

---

Quarter 1, 2004 Hawaii Visitors (Past 3 Years):

- Same age (mid 40s) as other Eastern US long-distance (500+ miles) air travelers.
- More likely to be retired (18% vs. 10% overall), but this varies dramatically by quarter.
- Hawaii visitors tend to report more formal education (70% college graduates) than other long-distance travelers (55%).
- The median household income stays significantly above other travelers (\$69,500 vs. \$54,800).
- Compared to a year ago, travelers (including Hawaii visitors) are younger, fewer are retired and report somewhat higher incomes, and more of them report that they have graduated from college.

# Eastern US Market: Travel Patterns

## (Hawaii Visitors vs. Total 500+ Mile Air Travelers)

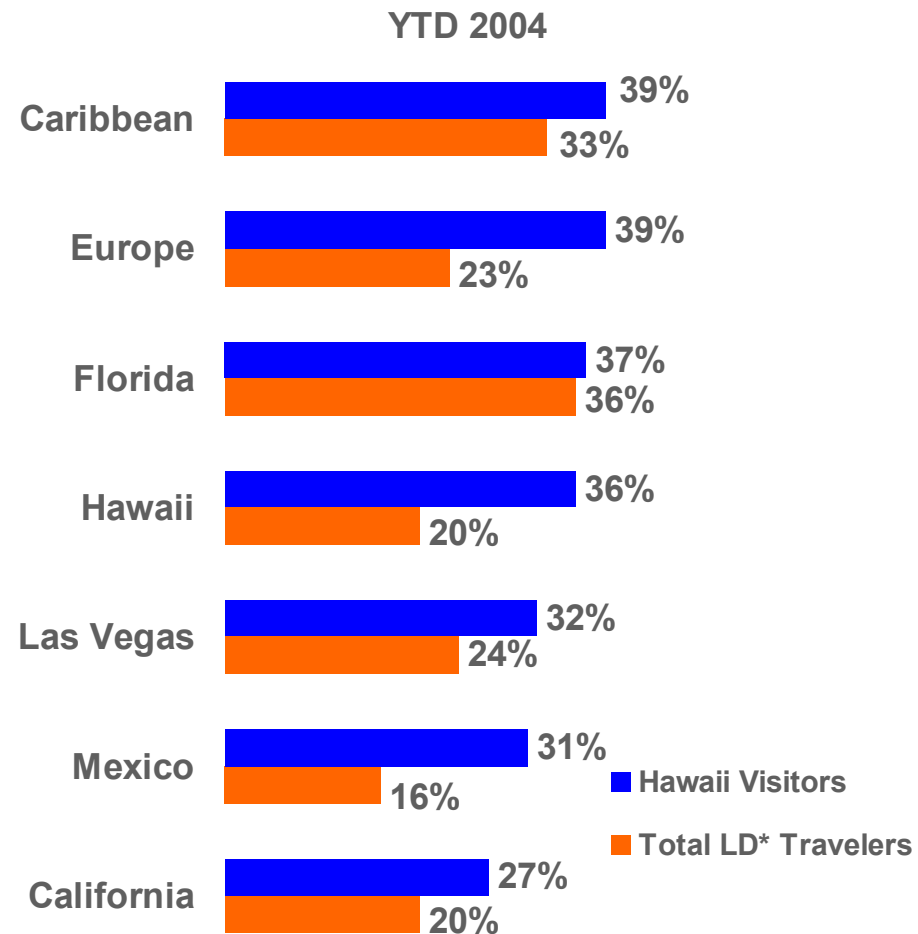
---

Quarter 1, 2004 Hawaii Visitors (Past 3 Years):

- Average 2 to 3 long distance (500+ mile air trips) annually; Hawaii visitors average one trip more than others in the Eastern Market (3.2 vs. 2.1).
- More likely than others (68% vs. 61%) to indicate “no change” in the number of trips they took last year compared to the prior 12 months.
- Of those who made a shift during the first quarter of 2004, Hawaii visitors were much more likely to have increased the frequency of their leisure trips than others (momentum index of 27 vs. 5).

# Eastern US Market: Considered Destinations (Q3)

- The top destinations selected by Eastern US 500+ mile air travelers are the same as for Hawaii visitors, but the ranking shifts.
- Those who have visited Hawaii are more likely to choose foreign places that are farther away, most notably Europe, but also the Caribbean and Mexico.
- As noted in the other quarterly reports, Hawaii visitors (past 3 years) are more likely than other travelers to choose each listed destination, except Florida, which appeals nearly equally to both segments.

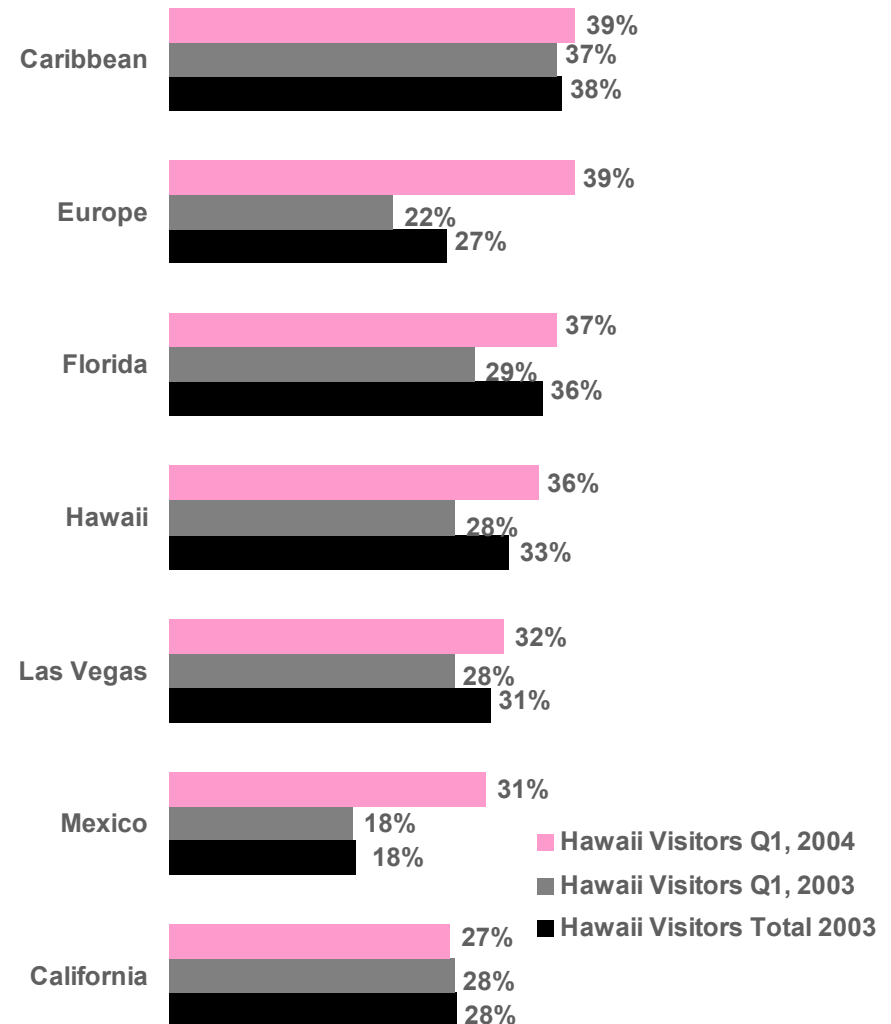


LD\* = Long-distance: 500+ mile air travelers



# Eastern US Market: Considered Destinations (Q3)

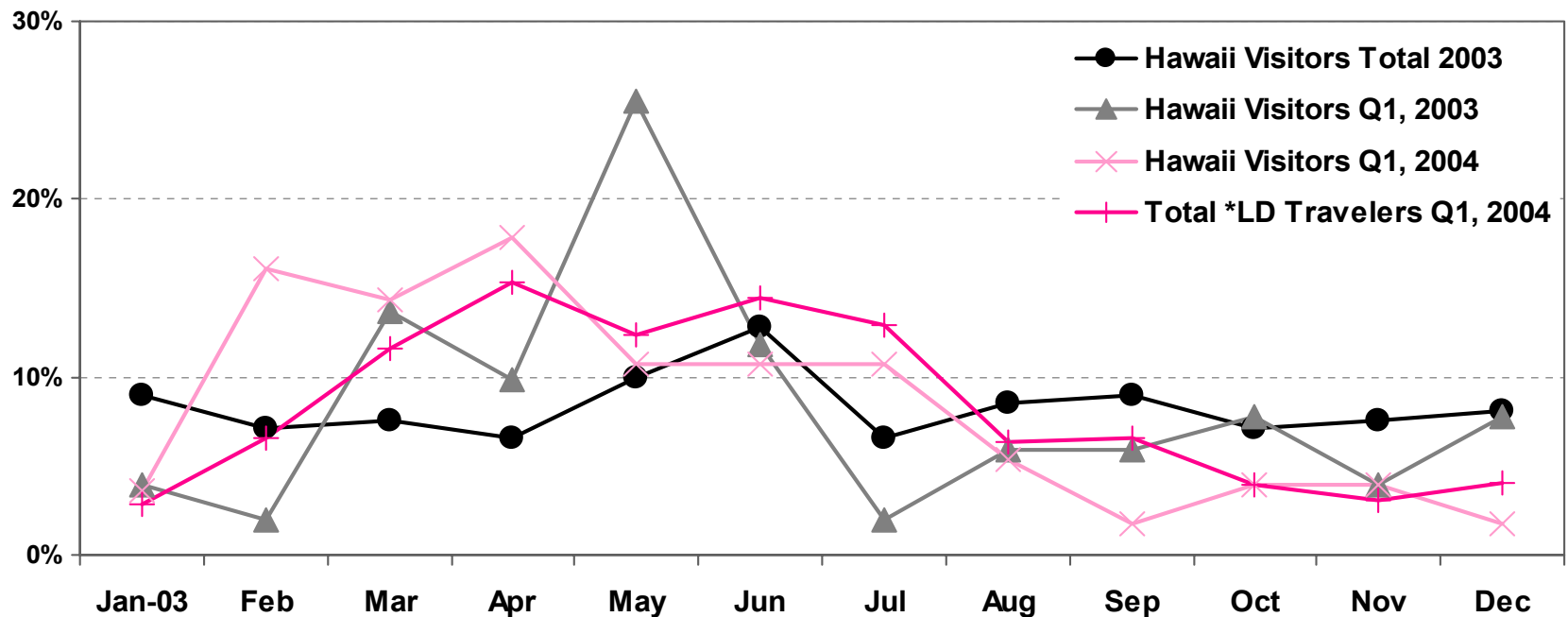
- Hawaii visitors from the Eastern US noticeably alter the ranking of their list of considered destinations from wave to wave, possibly reflecting seasonal preferences or varying reactions to international air travel.
- In prior quarters, the Caribbean and Florida consistently took the top spot in the consideration set.
- In Quarter 1, 2004, Europe joins the fray, pushing Hawaii to fourth place – but still somewhat above Las Vegas, Mexico, and California.
- Every destination, except California, is considered by a greater proportion of these travelers now than a year ago. Hawaii and Florida are up by 8 percentage points; even larger increases are noted for Europe (+17) and Mexico (+13). Other areas have smaller gains.



# Eastern US Market: Timing of Next Vacation (Q4)

- Each quarter, the largest proportion of Hawaii visitors expect to take their next trip soon after the survey is conducted (April this year, May last year). Over the year, timing for the next trip is more stable, peaking in June.

Surveys by Quarter

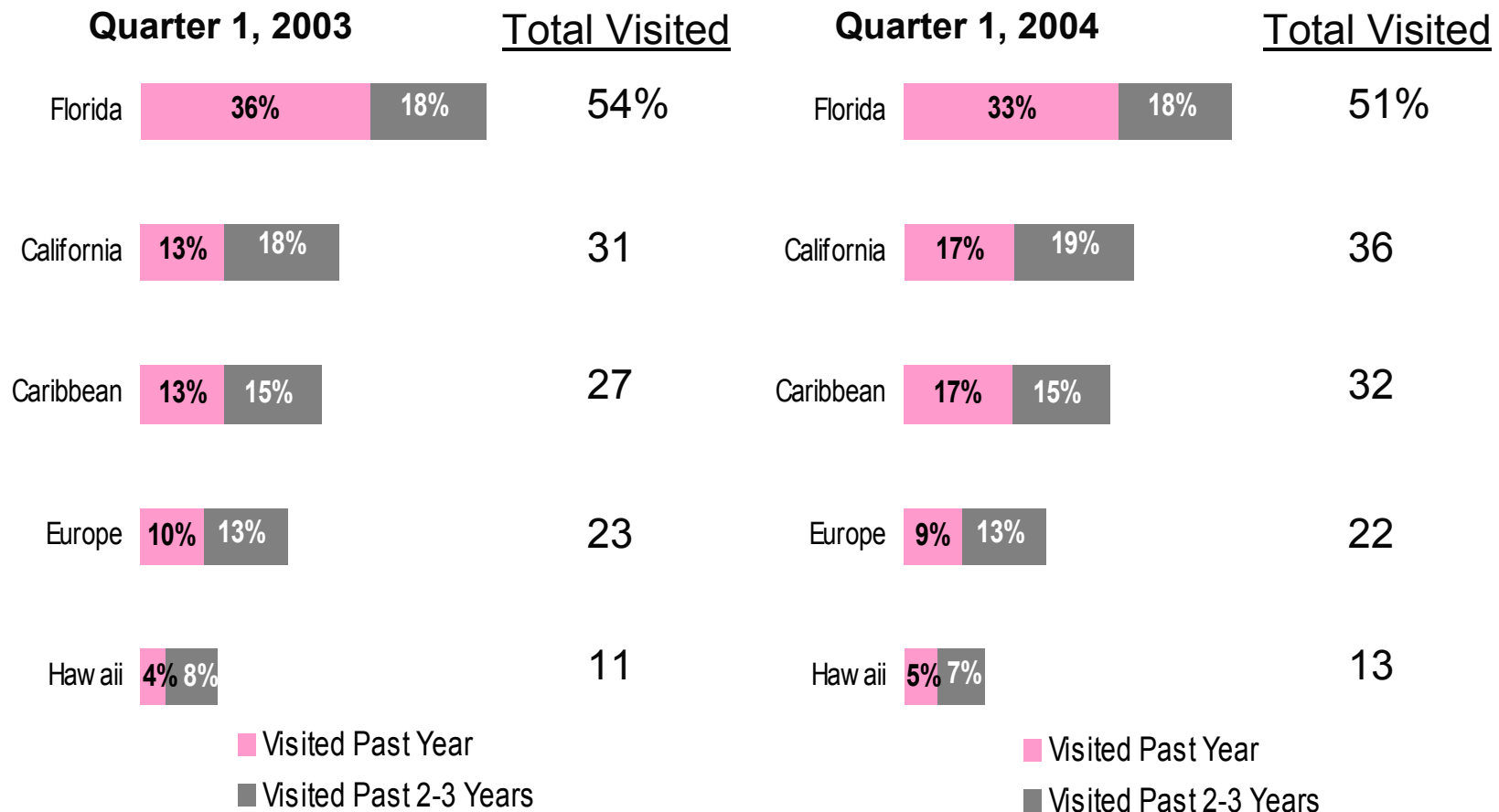


LD\* = Long-distance: 500+ mile air travelers

# Eastern US Market: Destinations in Past (Q6)

## (Visited Past Year/Past 3 Years)

- Compared to a year ago, the leading destinations remain the same, but California, the Caribbean, and Hawaii all gain slightly as Florida slips a bit.

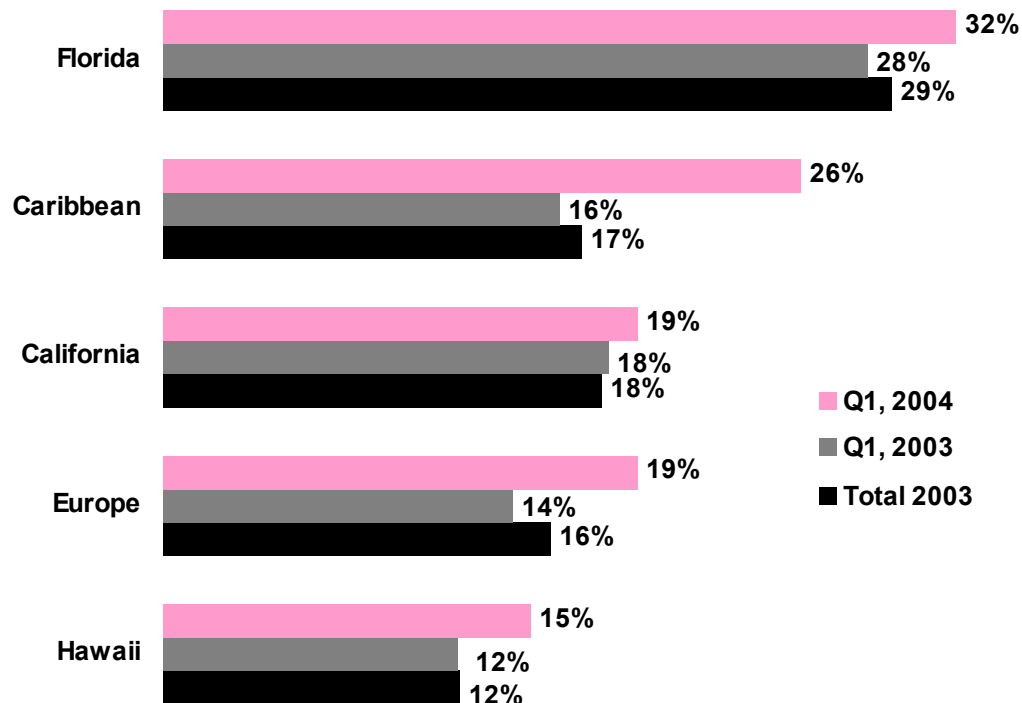


# Eastern US Market: Destinations Planned (Q6)

## (Plan to Visit for Leisure Within 24 Months)

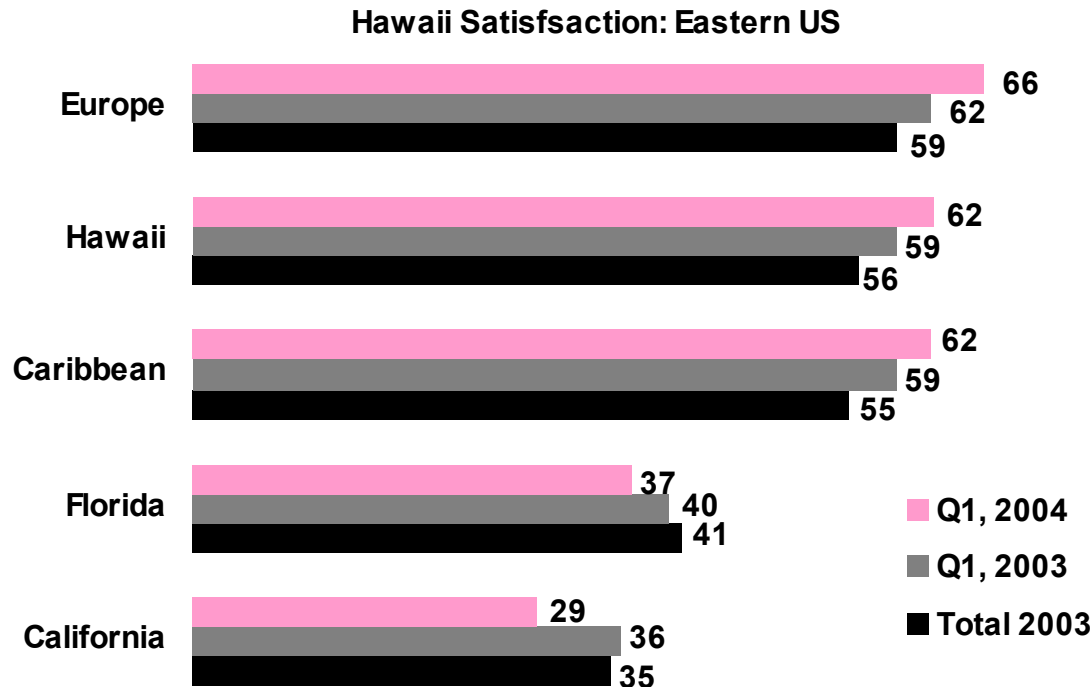
---

- When long-distance travelers choose destinations for trips that they plan to take within 2 years, Florida consistently ranks first and Hawaii ranks last among the competitive set.
- The first quarter of 2004 shows an increased interest in all destinations; most notably for the Caribbean.



# Eastern US Market: Satisfaction Index (Q6) (Especially Like/Have Visited)

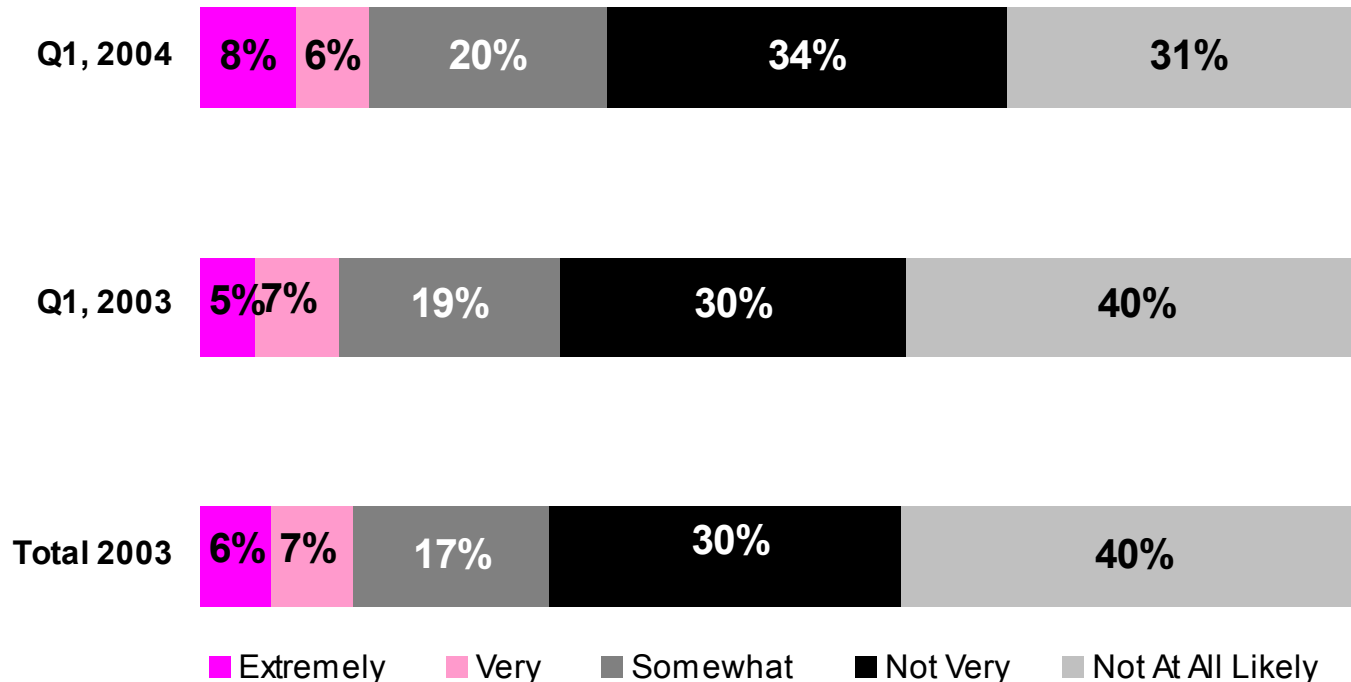
- Although Hawaii consistently receives high marks for satisfying its visitors, Europe pulls slightly ahead over the course of last year and leads in Quarter 1, 2004 as well.
- The trio of Hawaii, Europe, and the Caribbean swap the lead from quarter to quarter; each provides superior vacation experiences. California exhibits the least interest and greatest volatility.



# Eastern US Market:

## Likely to Visit Hawaii FOR LEISURE (Q14)

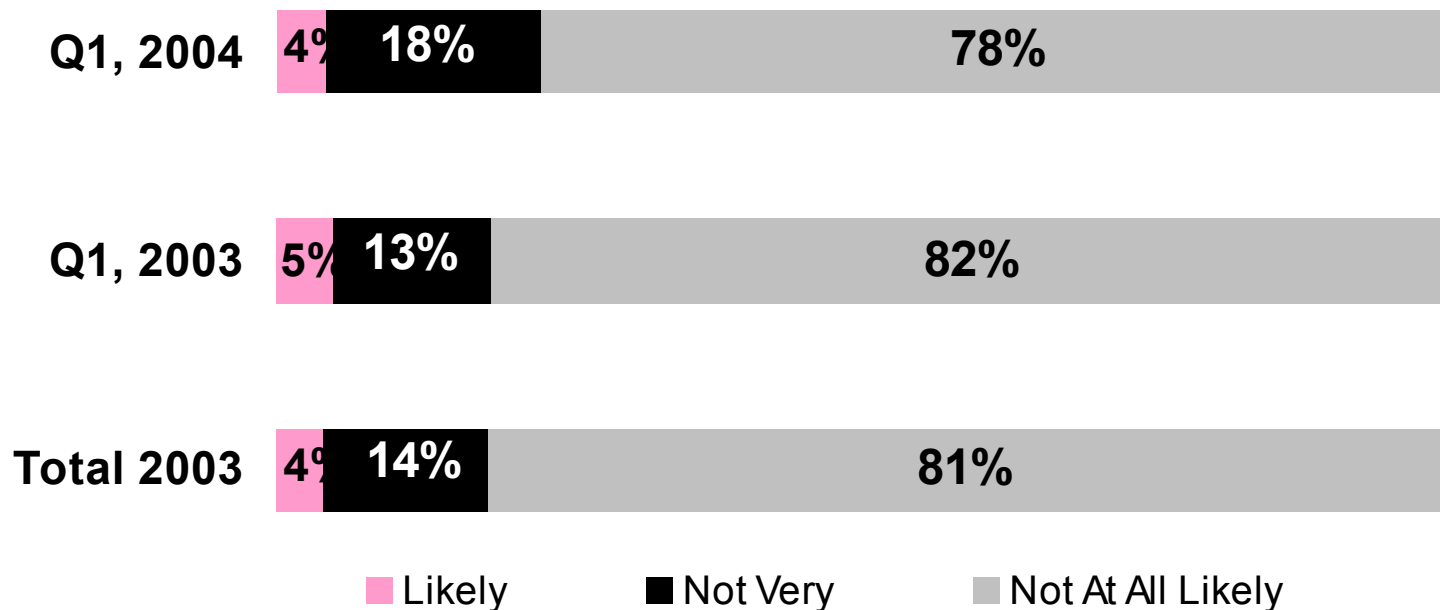
- Hawaii will continue to face the distance, time, cost, and competitive challenges in enticing Eastern US travelers to visit in the next 24 months, but Quarter 1, 2004 results bode well – showing a slightly higher proportion of extremely likely to visit responses.



# Eastern US Market:

## Likely to Visit Hawaii FOR BUSINESS (Q15)

- Hawaii is infrequently cited as a business destination (next 24 months).



***Eastern US Market:  
Hawaii Specific Evaluations***



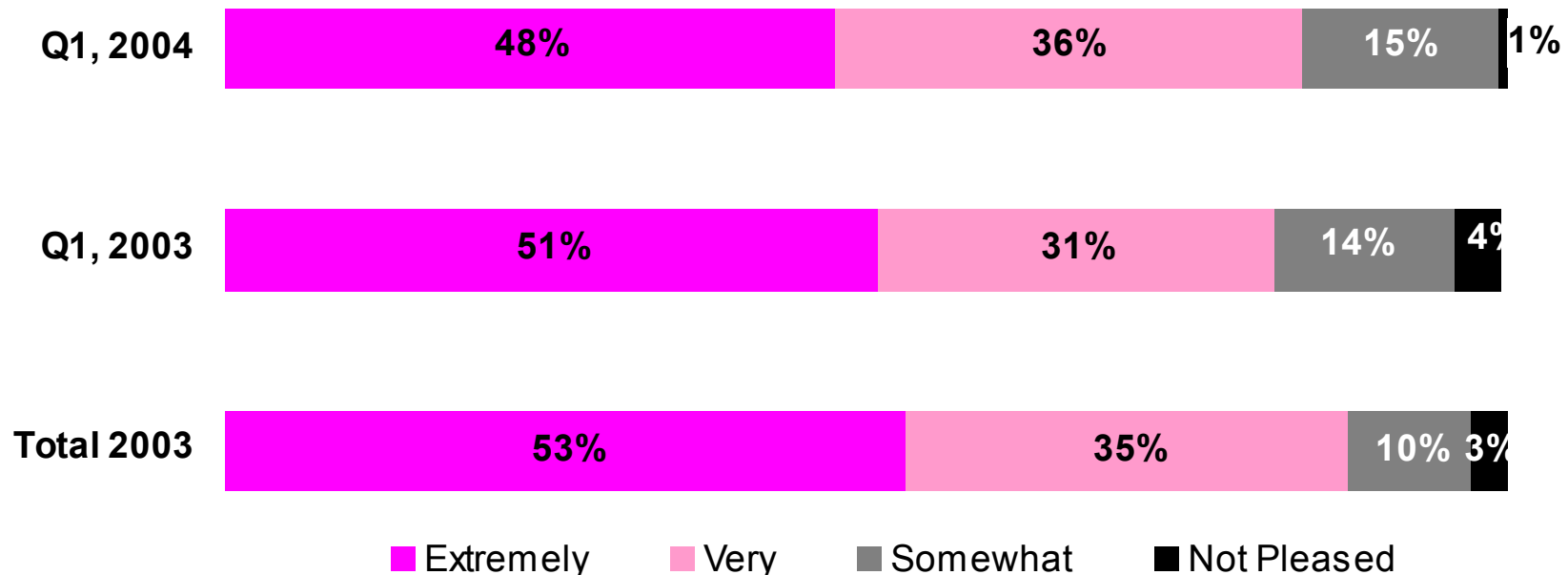
# Eastern US Market: Hawaii Visitation (Q7)

- Quarter 1, 2004 vs. Quarter 1, 2003 comparisons indicate a small drop in the proportion of Eastern US 500+ mile air travelers who have ever visited Hawaii.
- However, the news improves when reviewing the proportion that has been there in the past three years (13% from 11%) or the last year (5% vs. 4%).
- Generally, and as expected, the average number of visits increases with more recent visitation. The last two quarters (Q4, 2003 and Q1, 2004) provide exceptions – where past three year visitors have taken more trips to Hawaii than past year visitors.

	Visited Hawaii					
	Total 2003	Q1: Jan-Mar 03	Q2: Apr-Jun 03	Q3: Jul-Sept 03	Q4: Oct-Dec 03	Q1: Jan-Mar 04
<b>Total Eastern Market (Base)</b>	<b>1,762</b>	<b>456</b>	<b>451</b>	<b>447</b>	<b>408</b>	<b>482</b>
<b>% Ever Visited Hawaii</b>	<b>38%</b>	<b>39%</b>	<b>36%</b>	<b>38%</b>	<b>41%</b>	<b>35%</b>
<b>Average # of Trips to Hawaii</b>	<b>2.2</b>	<b>2.3</b>	<b>2.2</b>	<b>2.5</b>	<b>1.8</b>	<b>2.1</b>
<b>% Visited Hawaii Past 3 Years</b>	<b>12</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>14</b>	<b>13</b>
<b>Average # of Trips to Hawaii</b>	<b>3.1</b>	<b>2.7</b>	<b>3.5</b>	<b>4.1</b>	<b>2.0</b>	<b>2.7</b>
<b>% Visited Past Year</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Average # of Trips to Hawaii</b>	<b>4.3</b>	<b>3.5</b>	<b>7.2</b>	<b>4.6</b>	<b>1.7</b>	<b>2.2</b>

# Eastern US Market Hawaii Visitors: How Pleased With Last Visit (Q13) (Ever Visited)

- Visitors rate Hawaii very highly in its ability to please -- similar to results noted earlier on the satisfaction index among multiple destinations.
- Although Q1, 2004 results indicate a small shift from *extremely* to *very pleased*, the group that is *not pleased* almost disappears. Roughly the same proportion (84% vs. 82%) feels *i* with their visit as a year ago.

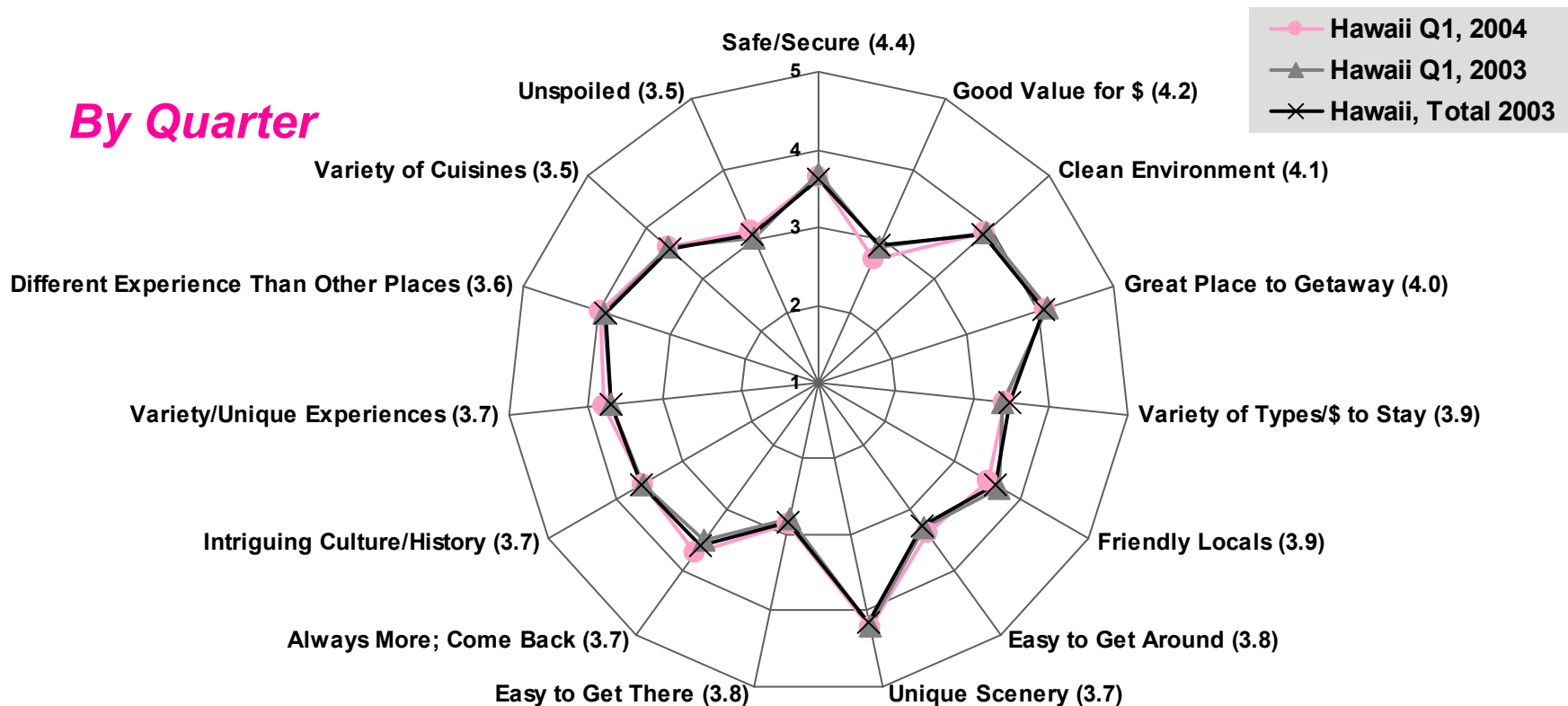


***Eastern US Market:  
Importance of Attributes and Ratings of  
Hawaii vs. Competitive Destinations***

# Eastern US Market: Hawaii Ratings (Q5)

- Eastern travelers' opinions about Hawaii remain similar over time with minor changes. Year-to-year comparisons indicate improvement on *Always More to Come Back for* and *Unspoiled* while *Good Value for the Money* and *Friendly Locals* slips.

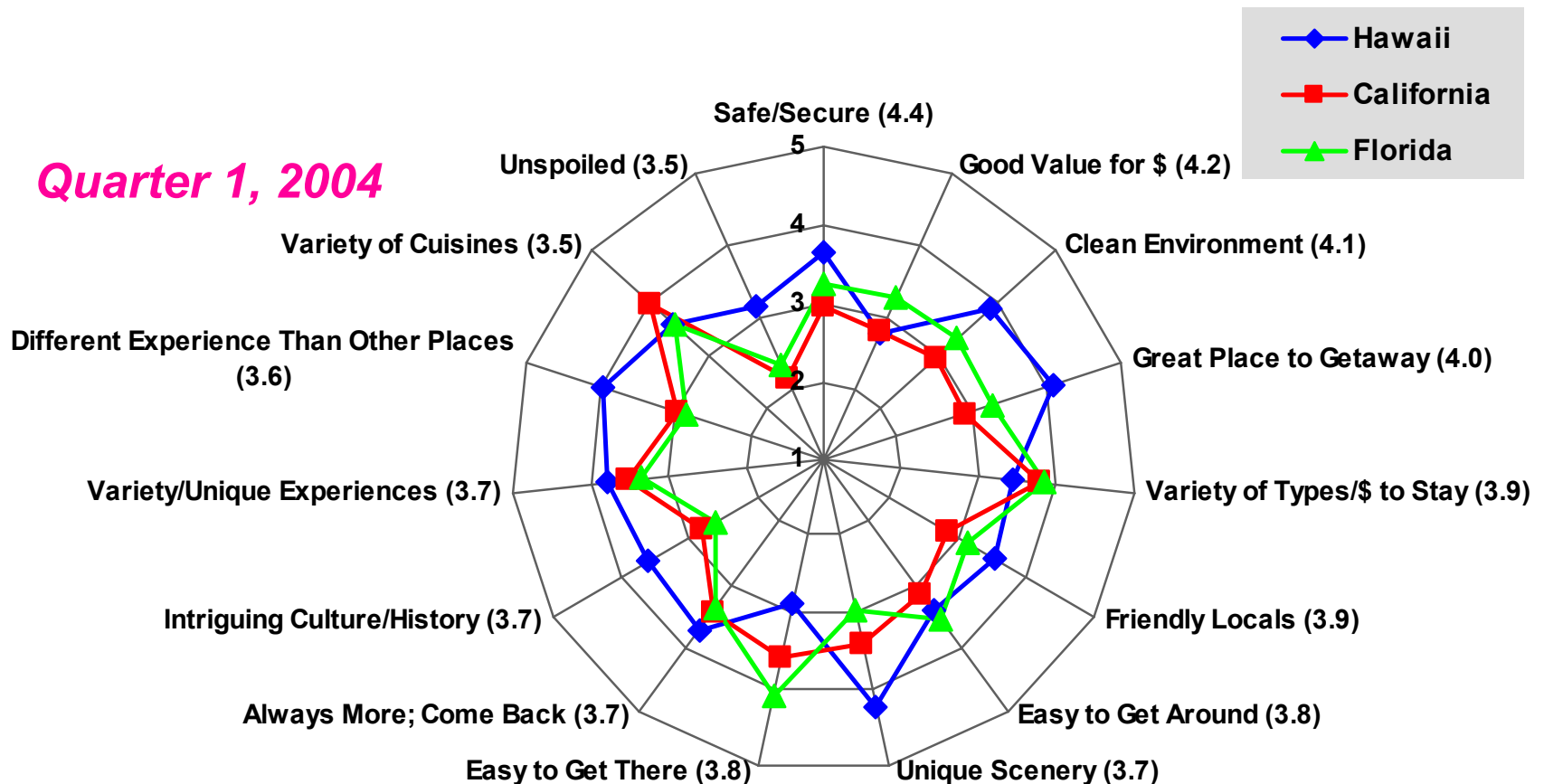
## By Quarter



# Eastern US Market: (Gap) Hawaii/ Florida/California (Q5)

- Quarter 1, 2004 follows the same patterns exhibited throughout the previous year.

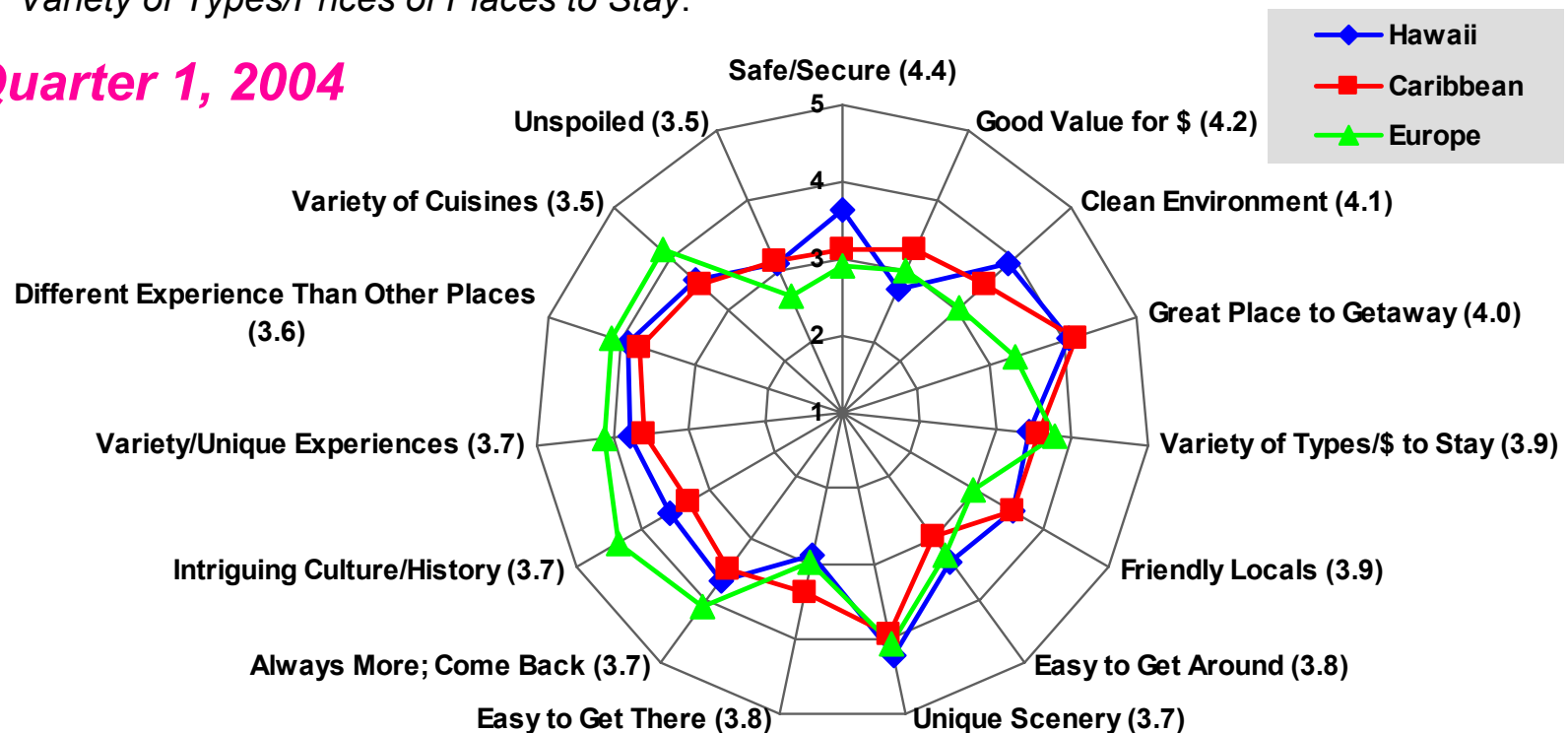
**Quarter 1, 2004**



# Eastern US Market: (Gap) Hawaii/ Caribbean/Europe (Q5)

- Quarter 1 reveals a pattern similar to 2003, with different strengths shown for each area.
- **Hawaii** clearly tops others on *Safe/Secure Place*, *Clean Environment*, and edges ahead on *Unique Scenery* and, new this wave, *Easy to Get Around*.
- The **Caribbean** ranks higher on *Easy to Get There*, *Good Value for the Money* and slightly ahead on *Great Place to Getaway*.
- **Europe** outpaces others on *Always More to Come Back For*, *Intriguing History & Culture*, *Variety/Unique Experiences*, *Variety of Cuisines*, *Different Experience Than Other Places*, and *Variety of Types/Prices of Places to Stay*.

## Quarter 1, 2004



***Western US Market:  
Demographics and Travel Patterns***

# Western US Market: Demographics

## (Hawaii Visitors vs. Total 500+ Mile Air Travelers)

---

Quarter 1, 2004 Hawaii Visitors (Past 3 Years):

- Similar age (late-40s) as other Western US long-distance (500+ miles) air travelers.
- Both groups are younger than a year ago (early-to-mid 50s)
- Hawaii visitors are more likely to have earned a college degree than total travelers (69% vs. 51%) – both groups place above prior year levels (52% vs. 46%).
- Similar proportions are retired (15% vs. 13%), but consistent with the younger age shown, fewer report retirement than a year ago.
- Indicate higher median household incomes (\$70,000 vs. \$58,000), slightly above year-earlier results.



# Western US Market: Travel Patterns

## (Hawaii Visitors vs. Total 500+ Mile Air Travelers)

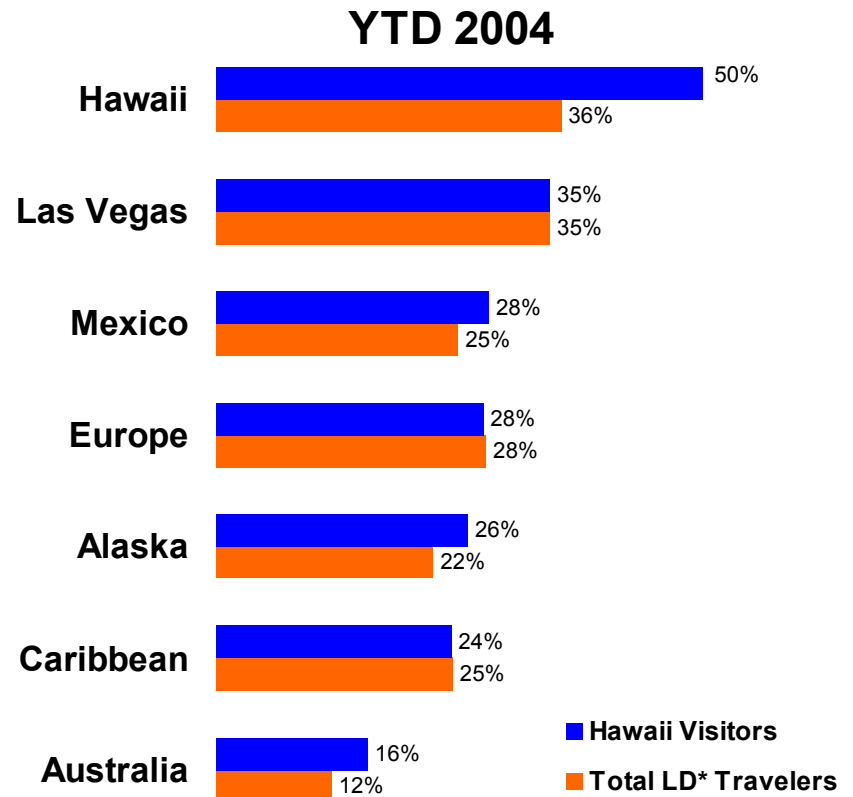
---

Quarter 1, 2004 Hawaii Visitors (Past 3 Years):

- Average 2.5 long distance (500+ miles by air) trips annually – slightly more than others in the Western Market (2.2) during the past 12 months. Both segments are very similar to year-ago results (2.6 vs. 2.1) in Quarter 4.
- Are as likely as others (almost two-thirds) to indicate “no change” in the number of trips they took last year compared to the prior 12 months (64% vs. 62%).
- Although only a small proportion of Hawaii visitors from the West expect to travel less, the outlook is consistently more positive among total Western long distance travelers (momentum index: -1 vs. +3).

# Western US Market: Considered Destinations (Q3)

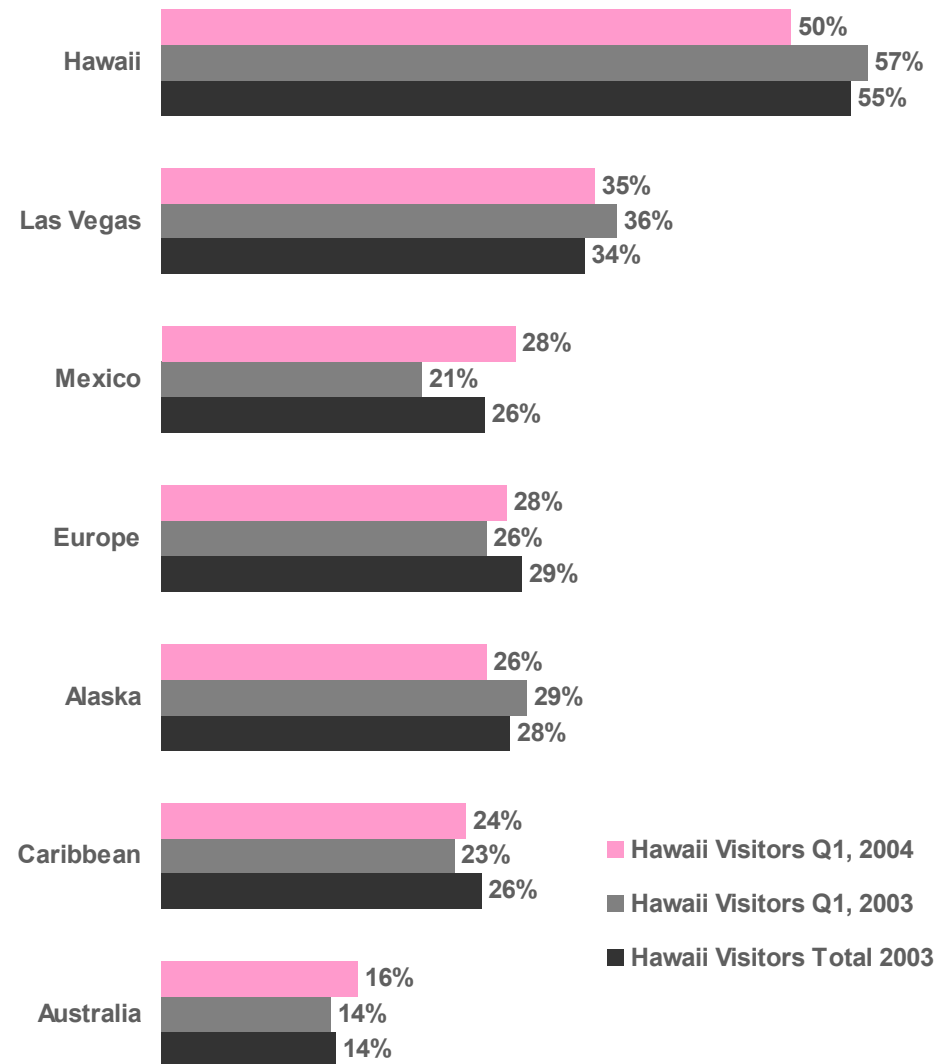
- With only marginal differences in rank order, the top destinations considered by Western US 500+ mile air travelers are similar to those considered by travelers who have visited Hawaii.
- However, Hawaii visitors (past 3 years) are generally equally-to-more likely to choose each of these destinations than other travelers.



LD\* = Long-distance: 500+ mile air travelers

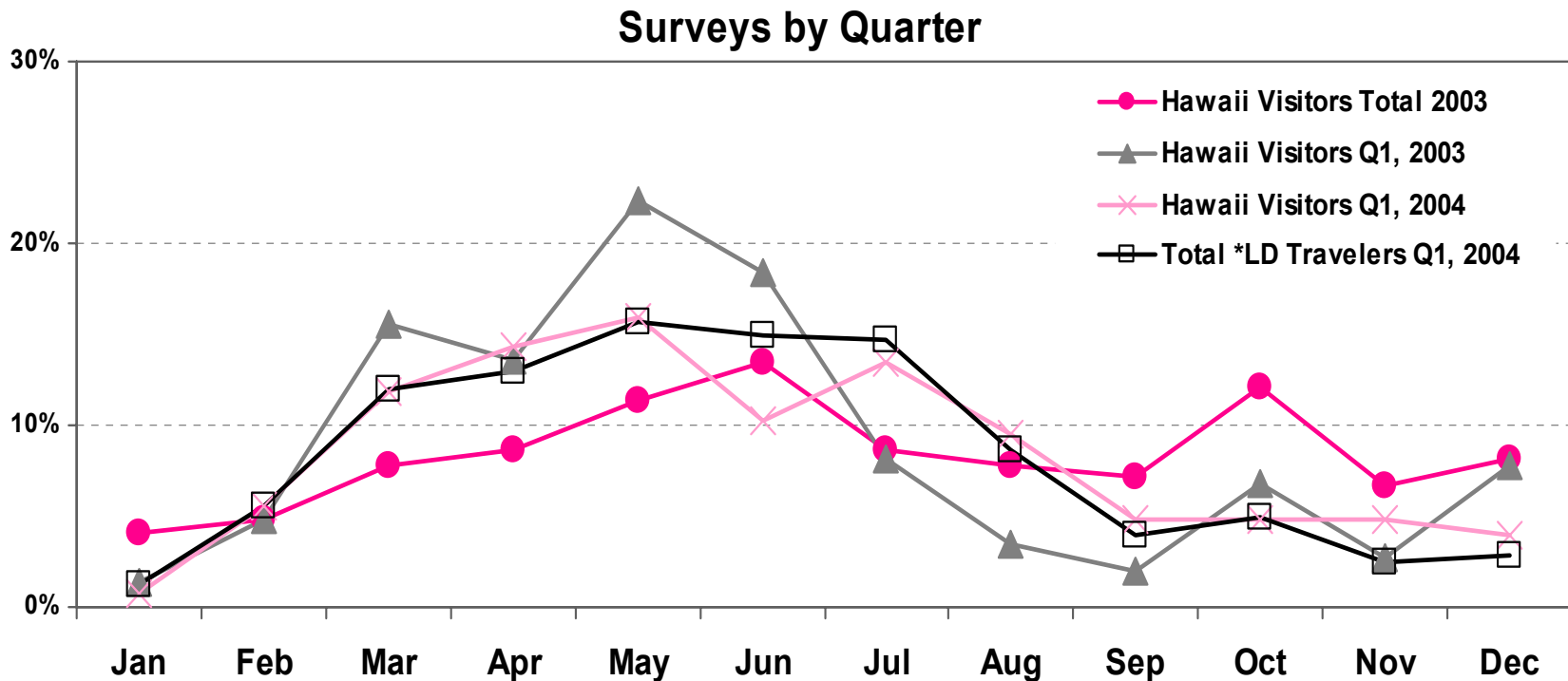
# Western US Market: Considered Destinations (Q3)

- Among past visitors, Hawaii is always at the top of the list and half (50%) consider it a destination to visit again.
- However, Hawaii's results place below the first quarter last year.
- Other year-to-year comparisons indicate that Las Vegas and Alaska slip in interest while Europe, the Caribbean, and Australia reveal modest gains.



# Western US Market: Timing of Next Vacation (Q4)

- Each quarter, the largest proportion of Hawaii visitors expect to take their next trip soon after the survey is conducted (May in Quarter 1 for both 2004 and 2003).
- As shown on the prior slide, timing for the year in total is more stable, peaking in May, June, and October.

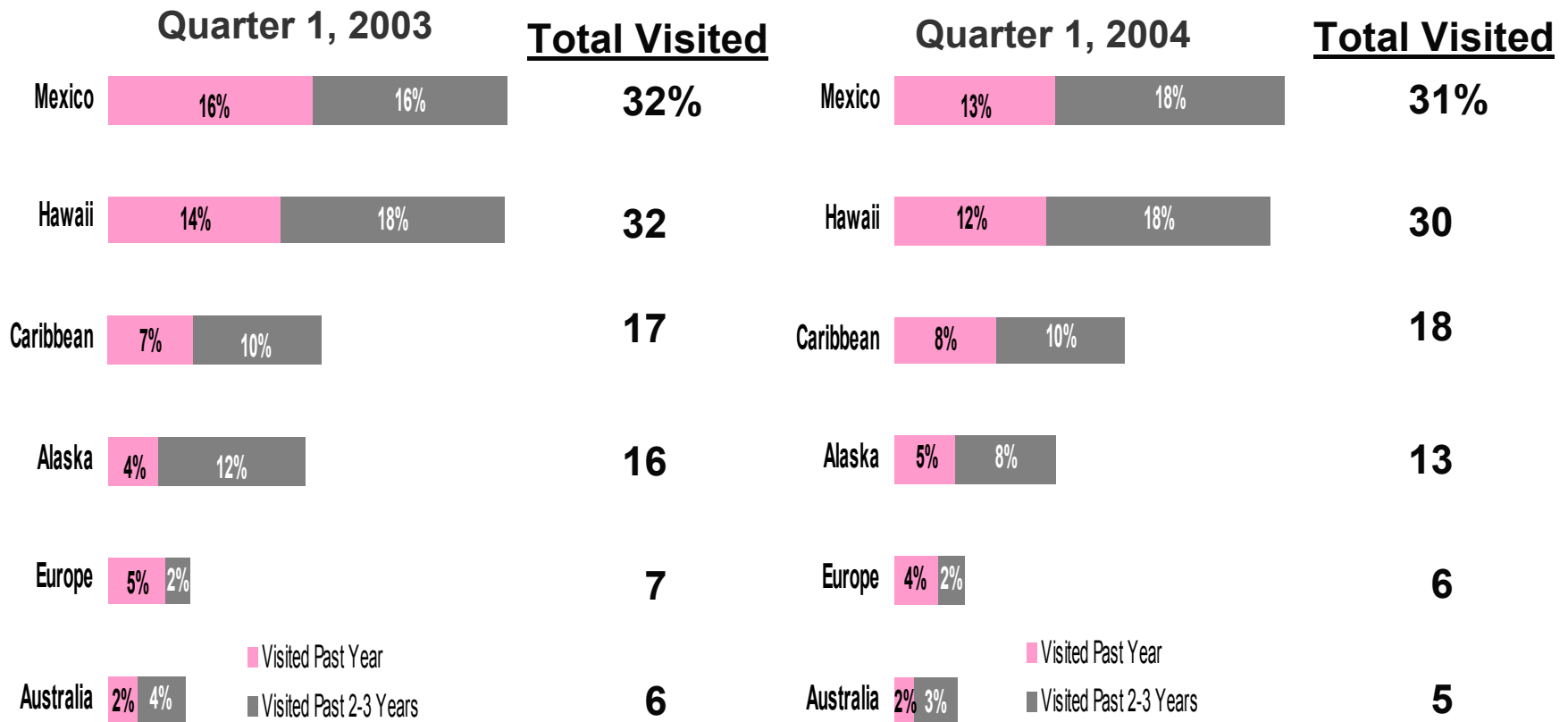


LD\* = Long-distance: 500+ mile air travelers

# Western US Market: Destinations in Past (Q6)

## (Visited Past Year/Past 3 Years)

- Compared to a year ago, the leading destinations remain the same, but all slip slightly (total past 3 years) except the Caribbean.

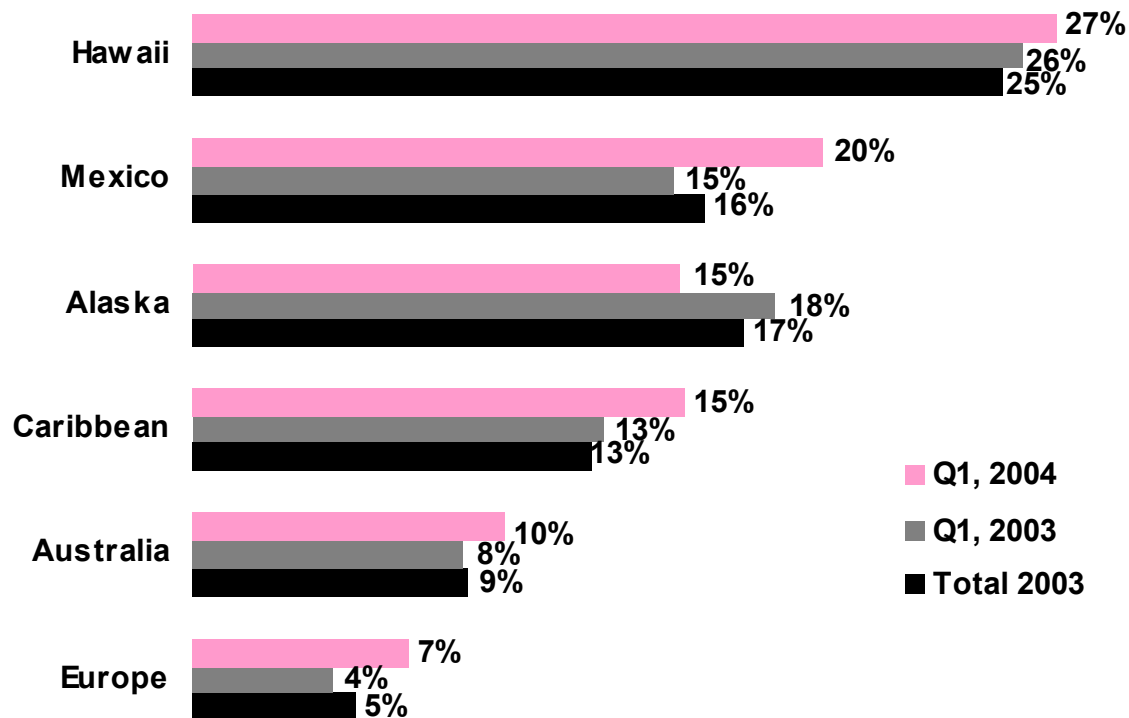


# Western US Market: Destinations Planned (Q6)

## (Plan to Visit for Leisure Within 24 Months)

---

- Prompted for destinations that they plan to visit within 2 years, long-distance travelers in the first Quarter of 2004 rank all destinations higher compared to a year ago, with the exception of Alaska.
- Hawaii consistently ranks first; Mexico surpasses Alaska in the competition for second place, and the Caribbean gains enough to tie Alaska for the third.

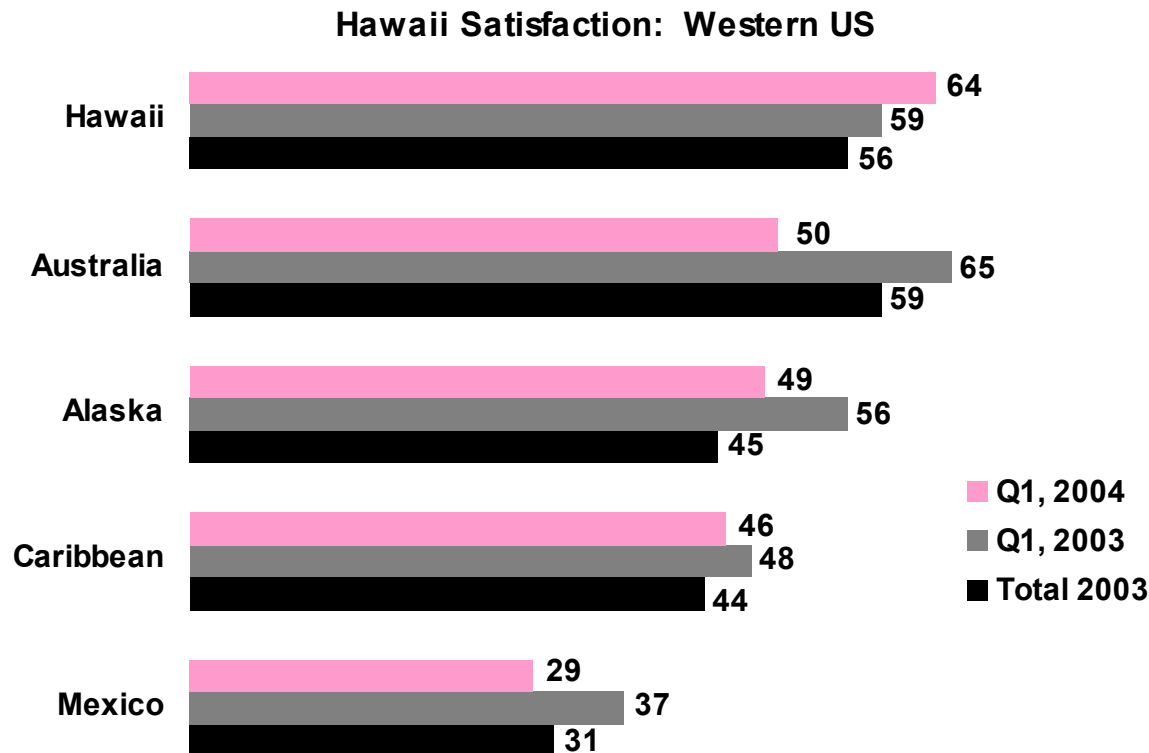


# Satisfaction Index (Q6)

## (Western US: Especially Like/Have Visited)

---

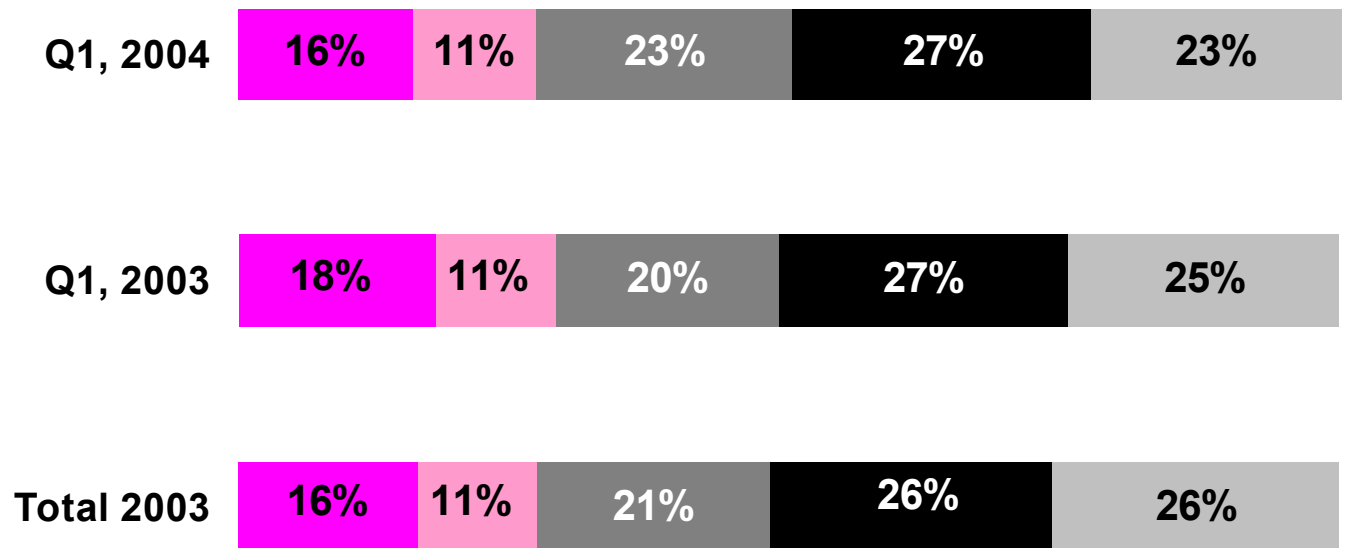
- In Quarter 1, 2004, Hawaii gains while Australia slips, boosting it to the leading position on satisfaction.
- Among these strong, competitive destinations, Hawaii is the only one that receives higher scores on this index compared to last year.



# Western US Market:

## Likely to Visit Hawaii FOR LEISURE (Q14)

- Twice as many (27%) Western US travelers expect (*very/ extremely likely*) to visit Hawaii as those from the East (14%).
- However, Hawaii faces the same challenges in enticing Western US travelers to visit in the next 24 months; specifically, distance and time (it is still a relatively long flight), cost, and competitor destinations. Quarter 1, 2004 results slip from last year on *extremely* (16% from 18%) likely to visit.



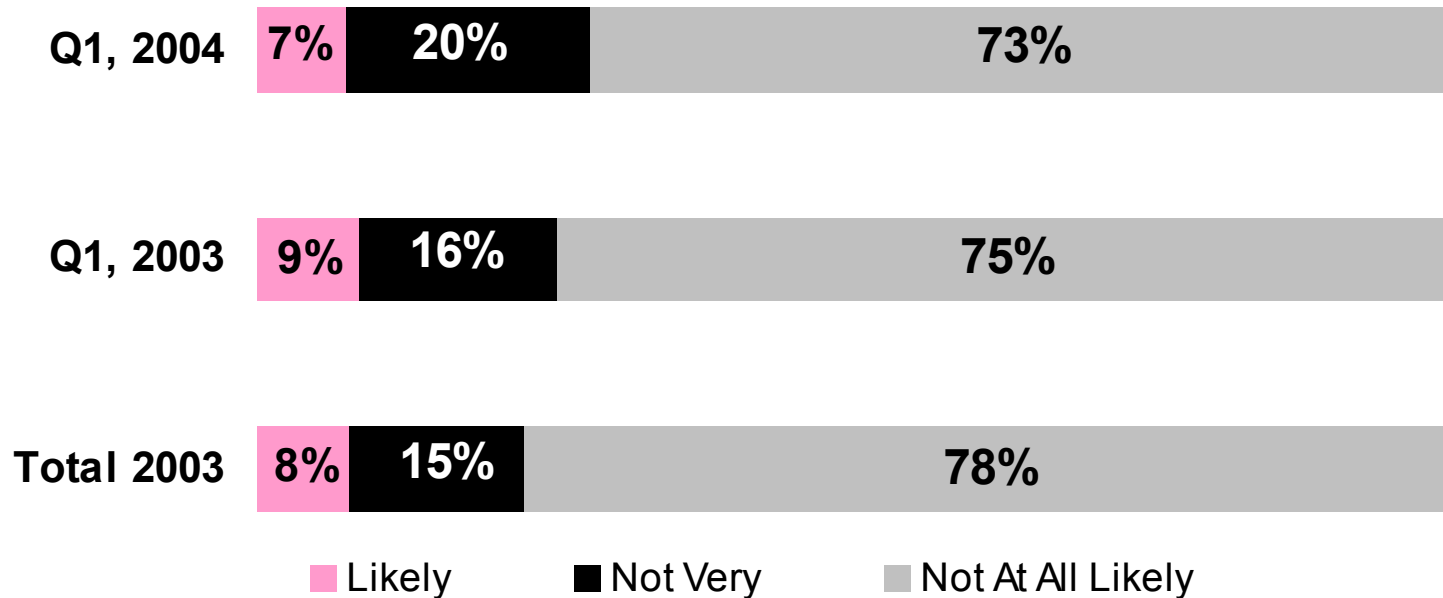
■ Extremely   ■ Very   ■ Somewhat   ■ Not Very   ■ Not At All Likely



# Western US Market:

## Likely to Visit Hawaii FOR BUSINESS (Q15)

- About twice as high as the Eastern US Market (4%) for likely to visit for business in Quarter 1, 2004, Hawaii remains (7%) an infrequent business destination choice (next 24 months).



***Western US Market:  
Hawaii Specific Evaluations***

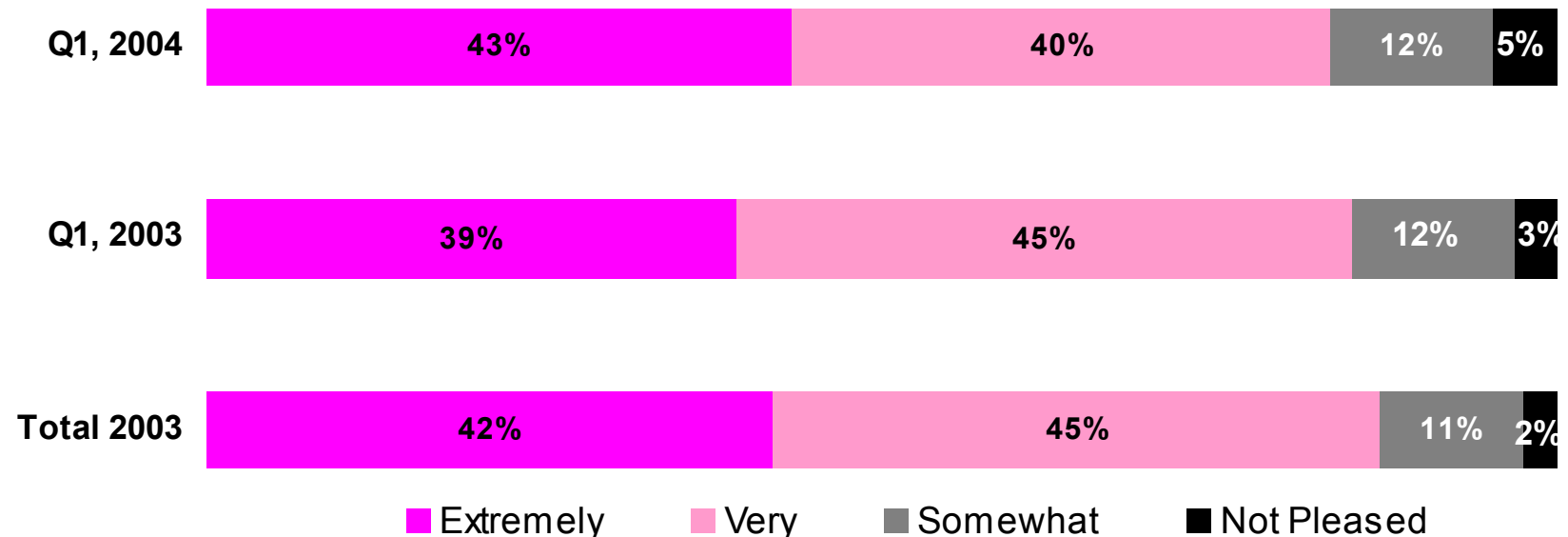
# Western US Market: Hawaii Visitation (Q7)

- Quarter 1, 2004 vs. Quarter 1, 2003 comparisons reveal a notable drop in the proportion of Western US 500+ mile air travelers who have ever visited Hawaii (58% from 65%).
- Further, the proportions of those visiting Hawaii in the past three years (30% from 32%) and in the past year (12% from 14%) also register a decline.
- The average number of visits decreases from last year as well, although, of course, it rises with more recent visitation.

	Visited Hawaii					
	Total 2003	Q1: Jan-Mar 03	Q2: Apr-Jun 03	Q3: Jul-Sept 03	Q4: Oct-Dec 03	Q1: Jan-Mar 04
<b>Total Western Market (Base)</b>	<b>1,908</b>	<b>499</b>	<b>524</b>	<b>457</b>	<b>428</b>	<b>441</b>
<b>% Ever Visited Hawaii</b>	<b>63%</b>	<b>65%</b>	<b>65%</b>	<b>62%</b>	<b>62%</b>	<b>58%</b>
<b>Average # of Trips to Hawaii</b>	<b>4.2</b>	<b>4.4</b>	<b>4.7</b>	<b>3.9</b>	<b>3.7</b>	<b>3.7</b>
<b>% Visited Hawaii Past 3 Years</b>	<b>30</b>	<b>32</b>	<b>33</b>	<b>29</b>	<b>26</b>	<b>30</b>
<b>Average # of Trips to Hawaii</b>	<b>5.7</b>	<b>5.9</b>	<b>6.3</b>	<b>5.3</b>	<b>5.0</b>	<b>4.5</b>
<b>% Visited Past Year</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>12</b>	<b>12</b>
<b>Average # of Trips to Hawaii</b>	<b>6.7</b>	<b>7.6</b>	<b>6.9</b>	<b>6.0</b>	<b>6.1</b>	<b>6.5</b>

# Western US Market Hawaii Visitors: How Pleased With Last Visit (Q13) (Ever Visited)

- Western visitors rate Hawaii highly in its ability to please, but lower than visitors from the East (43% vs. 48% *extremely pleased*).
- In the West, respondents tend to select very rather than *extremely pleased*, but similar proportions choose one of these two most positive options (83% from the West, 84% from the East during 2003).
- Quarter 1, 2004 results vs. a year ago indicate an increase in *extremely pleased* ratings (43% from 39%), but these are offset by fewer *very pleased* scores (40% from 45%).

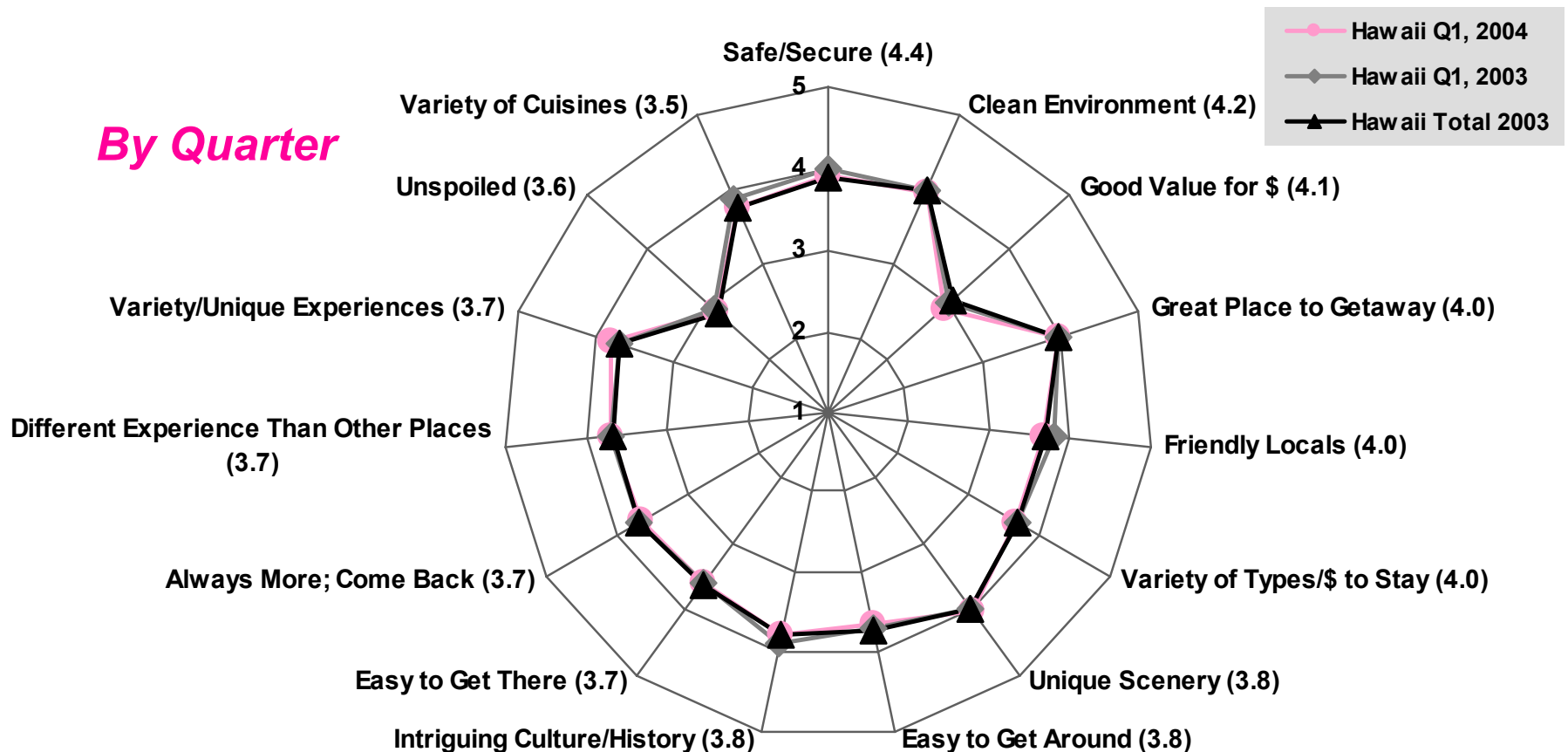


***Western US Market:  
Importance of Attributes and Ratings of  
Hawaii vs. Competitive Destinations***

# Western US Market: Hawaii Ratings (Q5)

- Little shifting occurs between quarters on Hawaii's ratings from the Western US Market, the results are nearly indistinguishable.

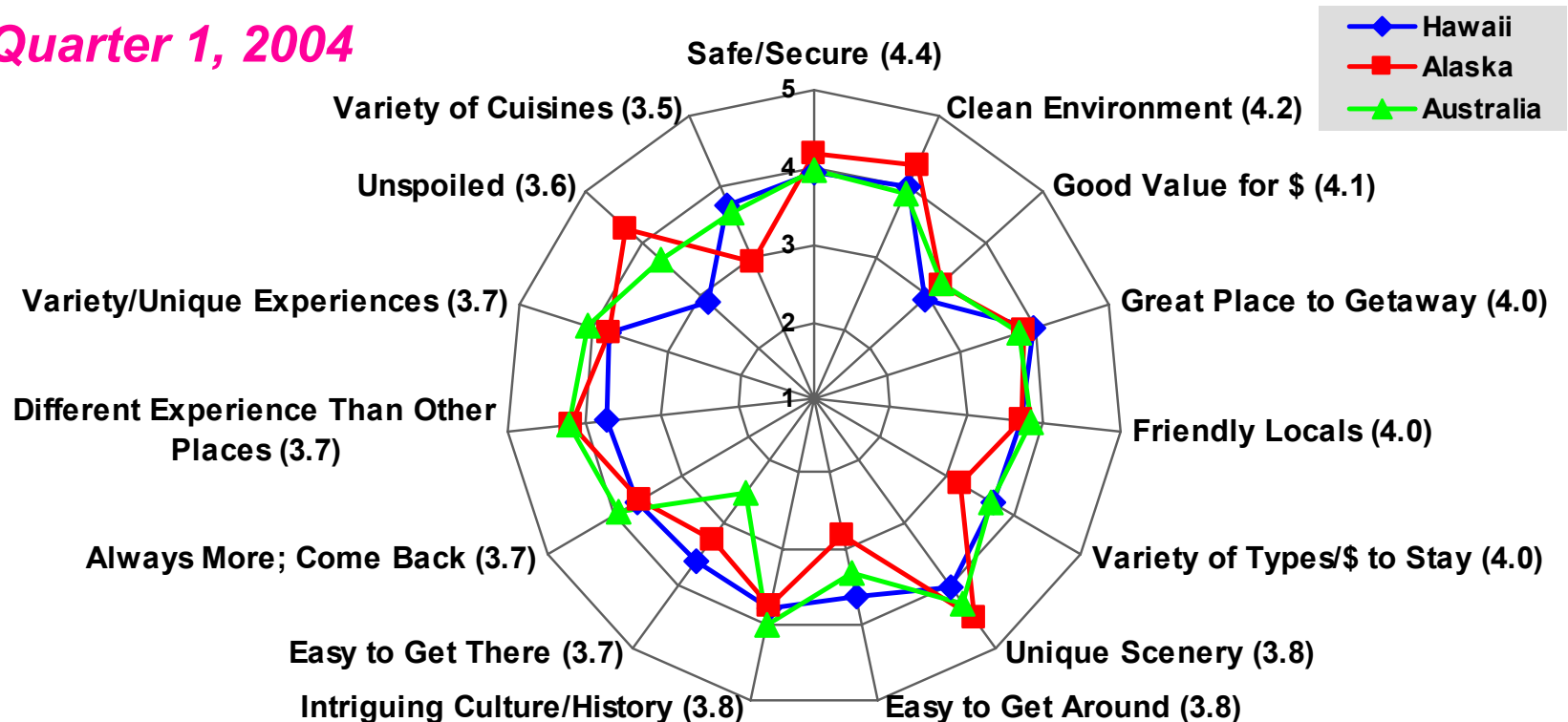
## By Quarter



# Western US Market: (Gap) Hawaii/Alaska/Australia (Q5)

- Quarter 1, 2004 travelers rate Hawaii similar to the annual patterns just shown. **Hawaii** maintains its lead on these three items: *Easy to Get Around*, *Easy to Get There*, and *Variety of Cuisines*.
- **Alaska** still wins for *Safe/Secure*, *Clean Environment*, *Unique Scenery*, and *Unspoiled*.
- **Australia** stays ahead on *Intriguing Culture/History*, *Variety/Unique Experiences*, *Always More to Keep Coming Back*, and adds *Friendly Locals* to the list. Logically, it trails on *Easy to Get There*.

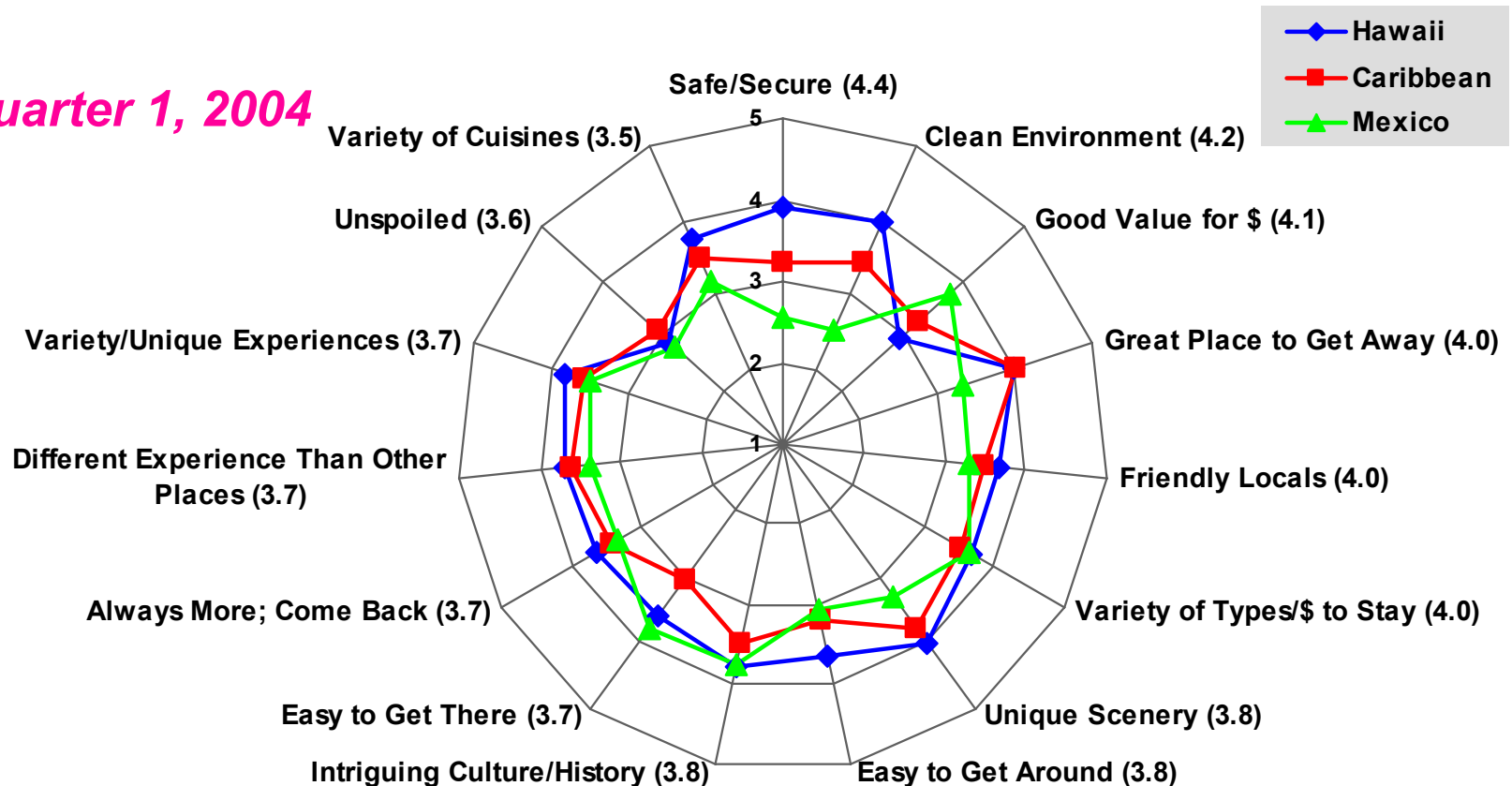
## Quarter 1, 2004



# Western US Market: (Gap) Hawaii/Caribbean/Mexico (Q5)

- Isolating Quarter 1, 2004, **Hawaii** and these competitors follow the same pattern as in the past. With few exceptions, Hawaii remains near or above the **Caribbean** and **Mexico**.
- The **Caribbean** maintains the leads on *Unspoiled*, **Mexico** leads on *Easy to Get There*, and both areas outperform **Hawaii** on *Good Value for the Money*.

## Quarter 1, 2004





***Japanese Market:  
Demographics and Travel Patterns***

# Japanese Market: Demographics

## (Hawaii Visitors vs. International Travelers)

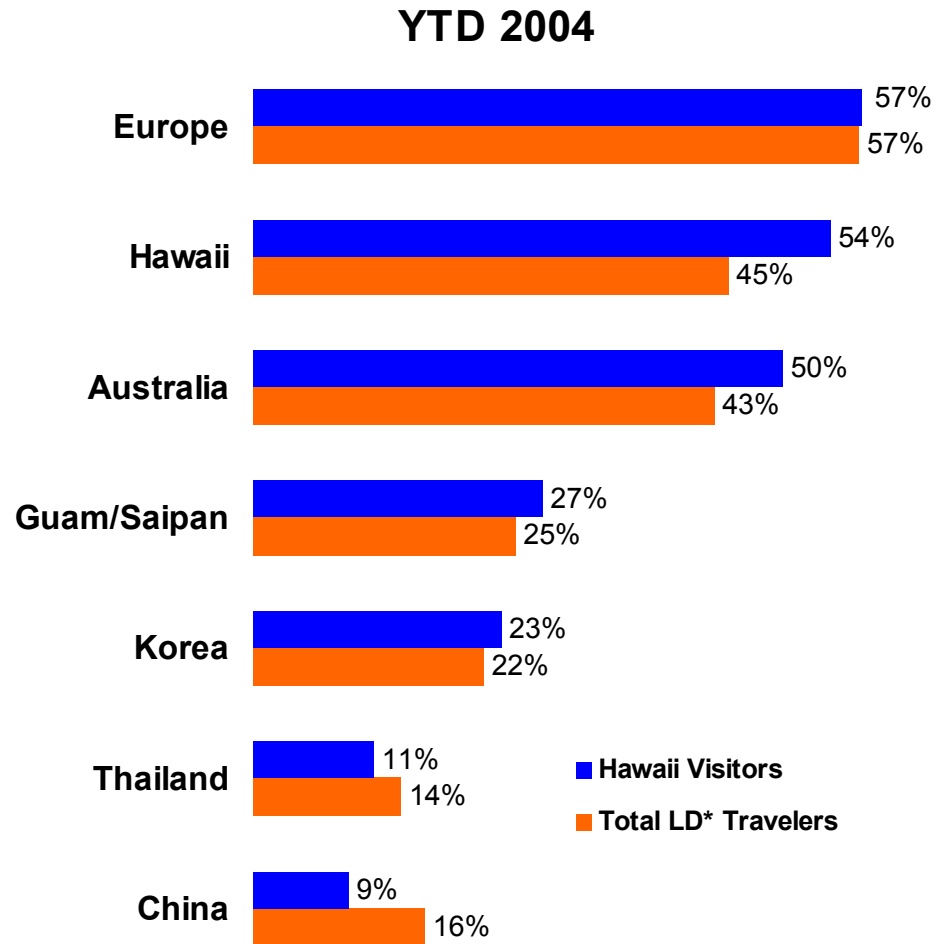
---

Quarter 1, 2004 **Hawaii Visitors** (Past 3 Years):

- Very similar age (mid-40s) as other international Japanese travelers.
- Compared to a year ago, international Japanese travelers (whether Hawaii visitors or not) indicate that they are somewhat older.
- This quarter, Japanese respondents are similar in age to US visitors and long-distance air travelers (in the past, US travelers' average age was in the early-to-mid 50s).
- While Hawaii visitors' income remains higher than other international Japanese travelers, the gap is much smaller than that noted for the US markets.

# Japanese Market: Considered Destinations (Q3)

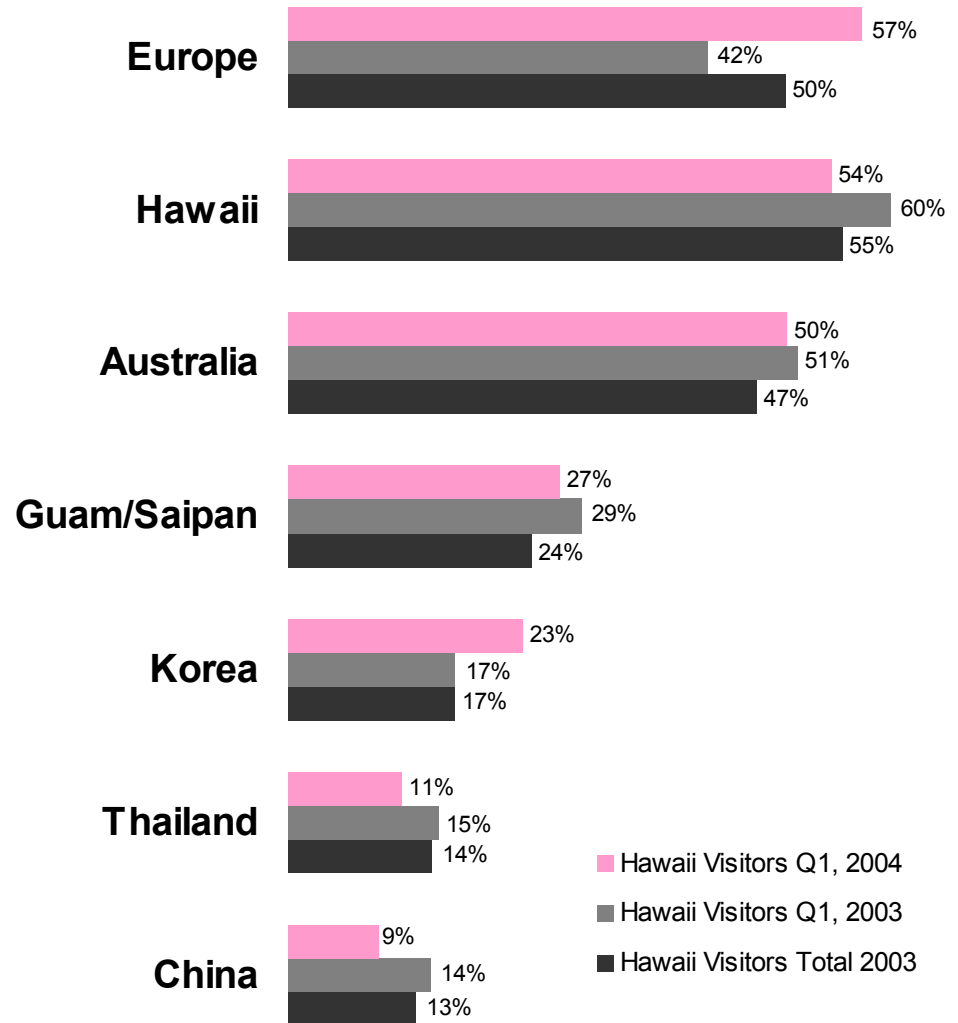
- Except for Hawaii itself and Australia (another English-speaking, South Pacific destination), the top destination choices of Japanese international travelers vary little by whether they have visited Hawaii or not.
- Those who have been there (Hawaii) want to return, but Europe and Australia hold similar appeal for them.
- Europe is the top ranked destination among total international travelers; for them, Hawaii and Australia clearly vie for second place (rather than the top position as noted for Hawaii visitors).



LD\* = Long-distance: 500+ mile air travelers

# Japanese Market: Considered Destinations (Q3)

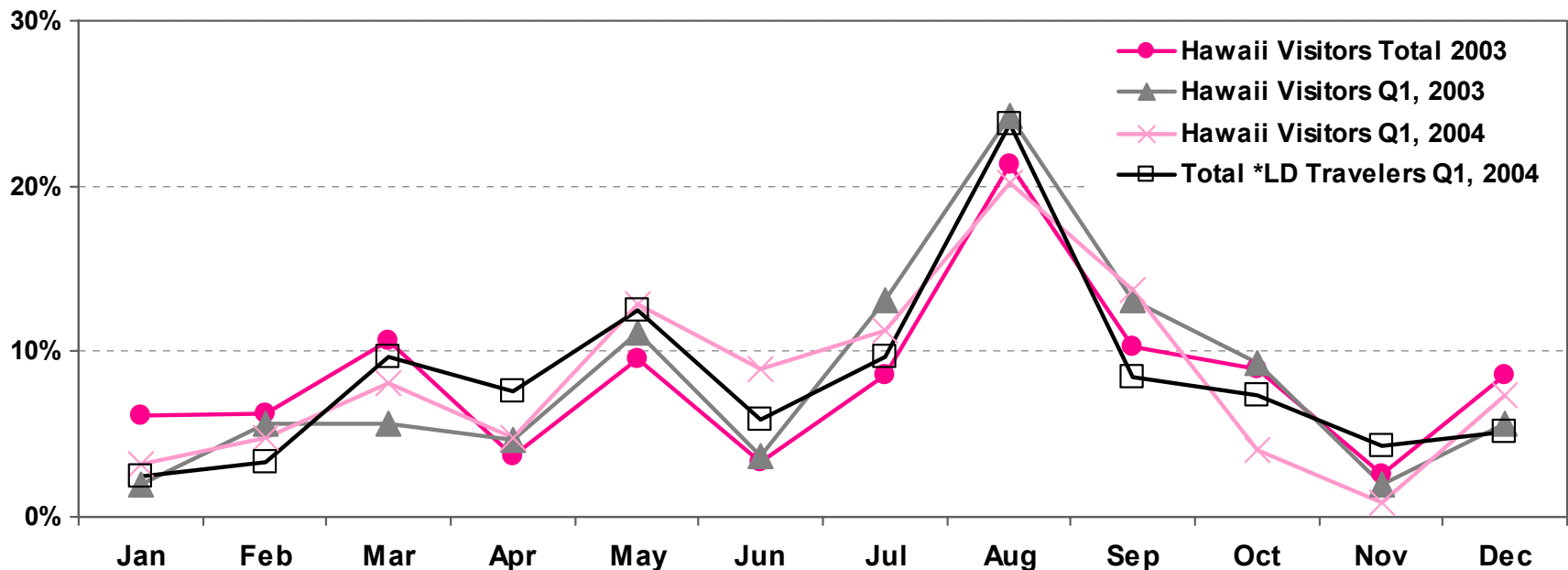
- Prior Hawaii visitors express much greater interest in Europe than a year ago.
- At the same time, they indicate declining interest in Hawaii.
- These two trends combined bump Europe upwards – for this quarter it is the top destination considered for future vacations.
- Australia remains a strong and very stable competitor.
- Korea gains while China and Thailand dip from year-ago results. Guam/Saipan reflects little change.



# Japanese Market: Timing of Next Vacation (Q4)

- As noted above, the primary month for vacation travel is August -- regardless of sample group or survey timing; timing has a much greater impact on US travel patterns.

**Surveys by Quarter**

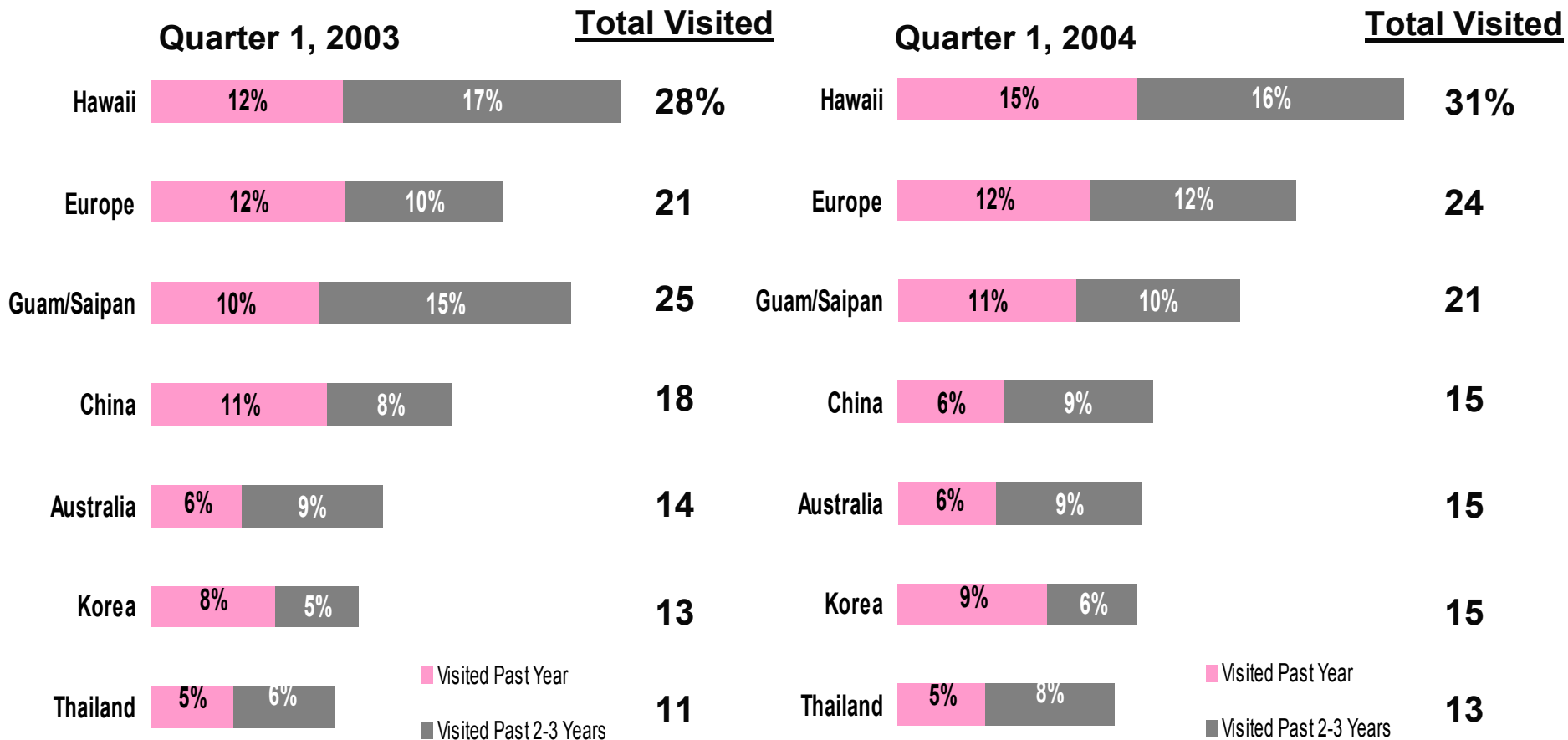


LD\* = Long-distance: 500+ mile air travelers

# Japanese Market: Destinations in Past (Q6)

## (Visited Past Year/Past 3 Years)

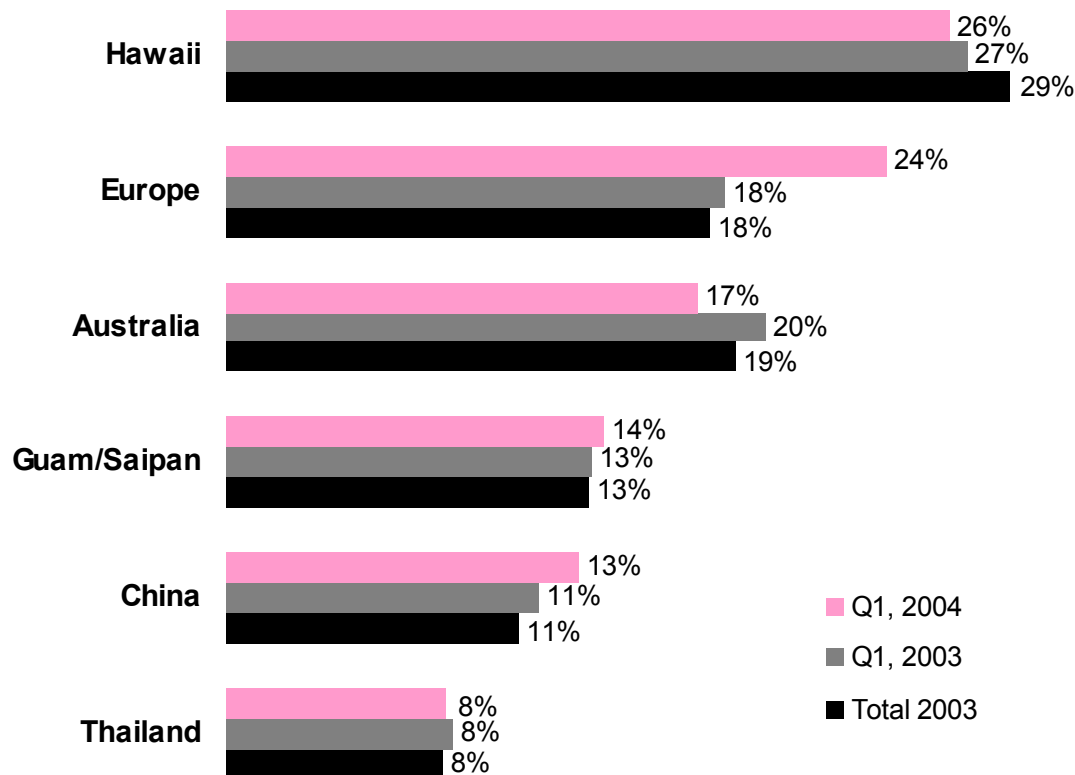
- Compared to the same time period last year, visitation climbs for most of the regions listed below except *Guam/Saipan* (which drops from second to third place in ranking as well) and *China*.



# Japanese Market: Destinations Planned (Q6)

## (Plan to Visit for Leisure Within 24 Months)

- When long-distance travelers choose destinations for trips that they plan to take within 2 years, Hawaii consistently ranks first.
- Interest appears to be shifting: Hawaii is about the same as a year ago, but Australia loses ground and Europe makes considerable gains – enough to apply pressure on Hawaii for the top position. China modestly improves.

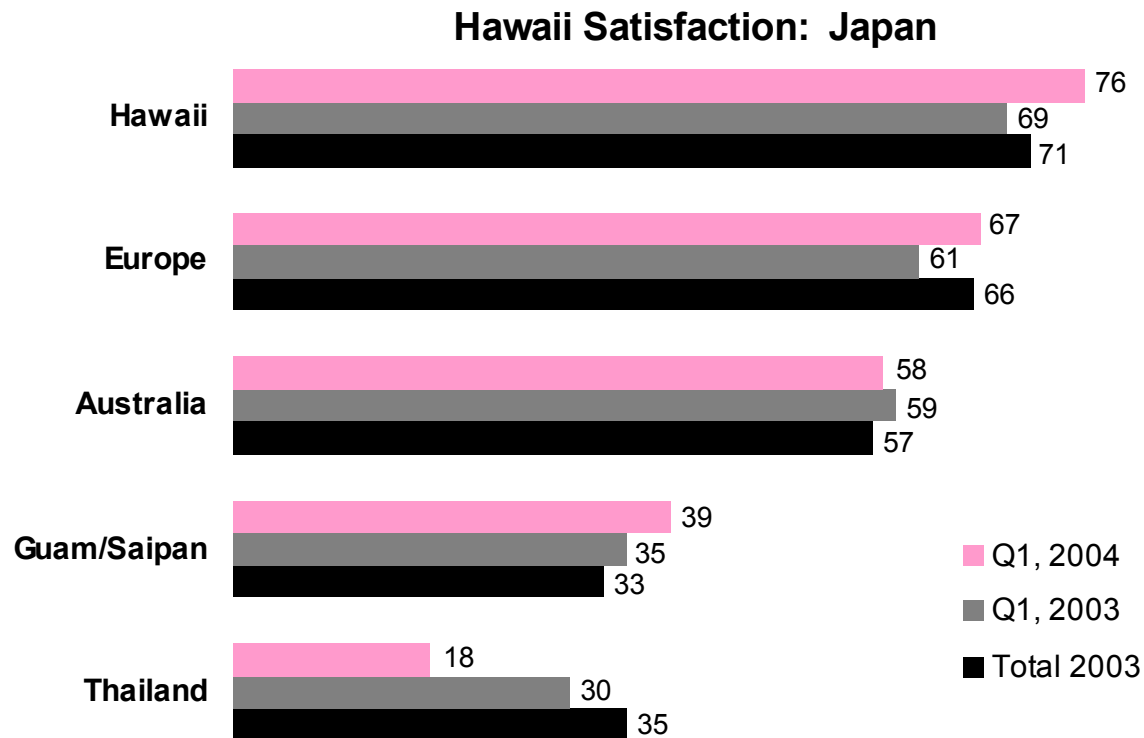


# Satisfaction Index (Q6)

## (Japan: Especially Like/Have Visited)

---

- During Quarter 1, 2004, Japanese travelers rate Hawaii higher than these other competitors as a place they especially like, stronger than the average for the year of 2003 and notably higher than Quarter 1, 2003.
- Europe remains very competitive and also improves over year-ago index scores.
- Thailand deteriorates markedly from last year.

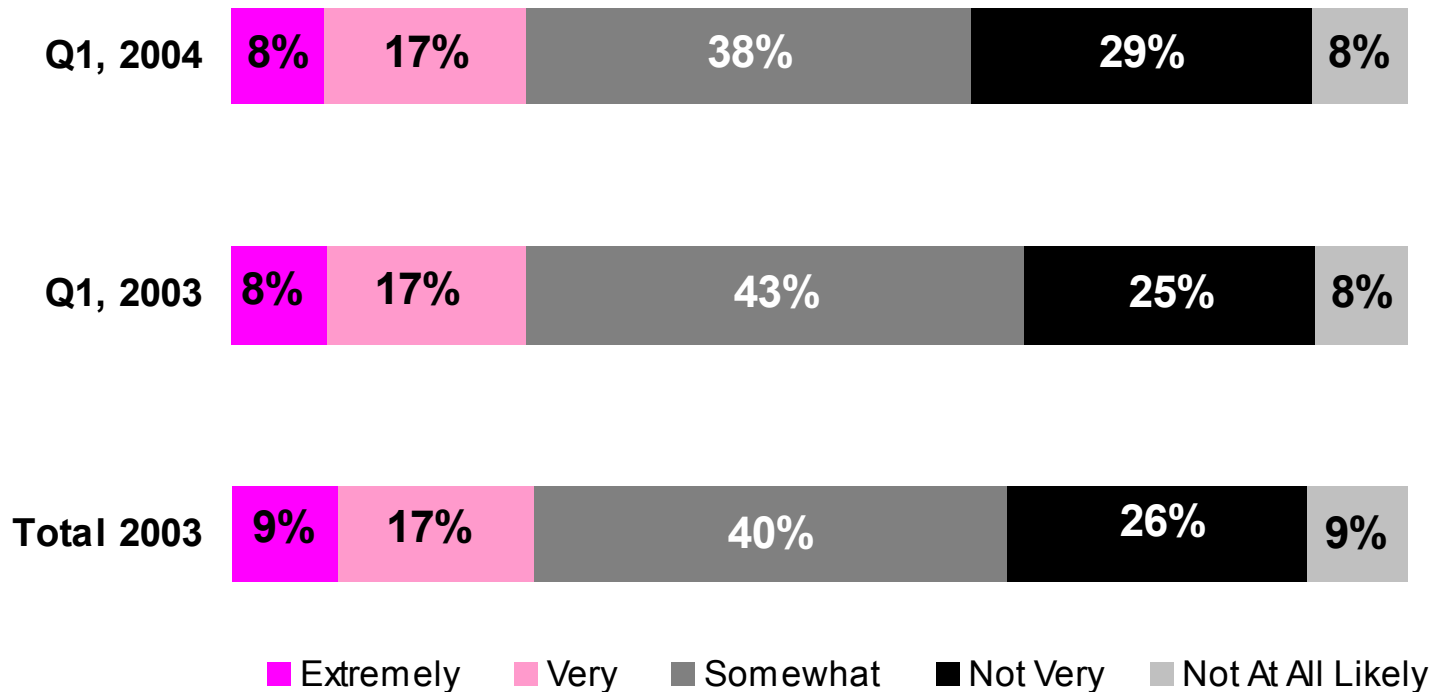




# Japanese Market:

## Likely to Visit Hawaii FOR LEISURE (Q14)

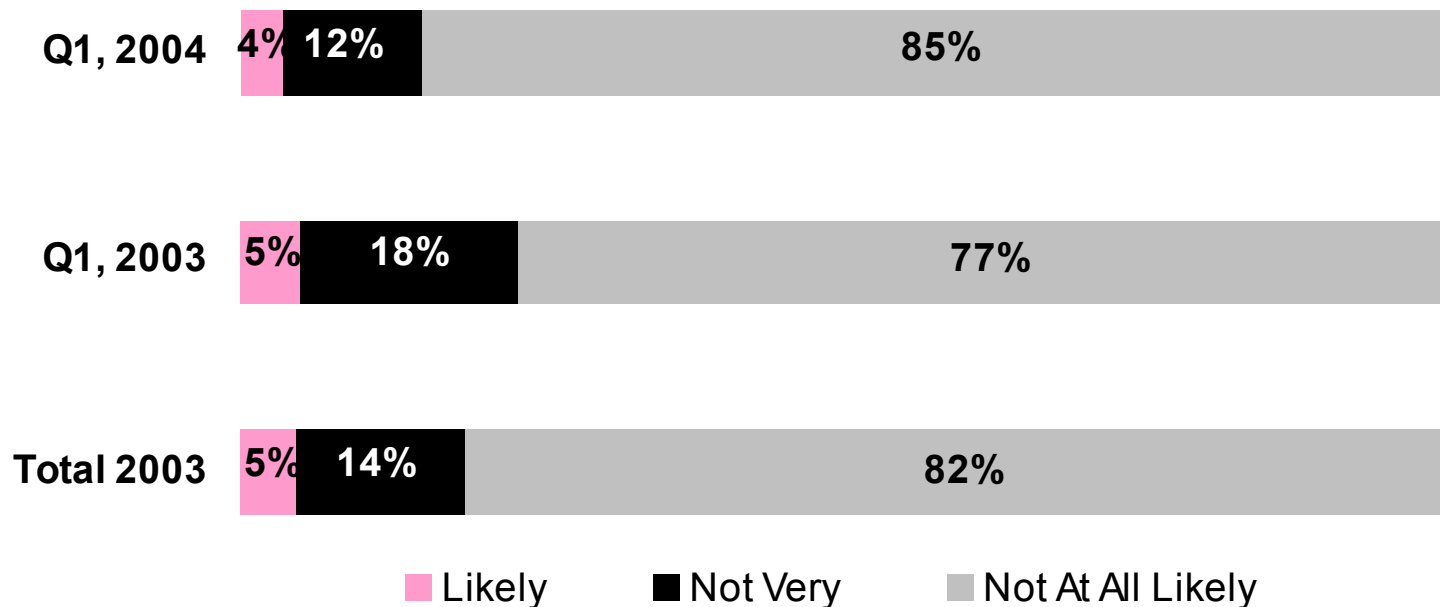
- As in the past, international Japanese travelers remain non-committal in their stated likelihood to visit in the next 24 months. Of course, Hawaii faces challenges in Japan similar to those in the US in enticing potential visitors; specifically, distance and time, cost, and competitor destinations.



# Japanese Market:

## Likely to Visit Hawaii FOR BUSINESS (Q15)

- The Japanese, similar to US residents, infrequently cite Hawaii as a business destination (next 24 months). Further, the *not at all likely* segment gains over year-ago results.



***Japanese Market:  
Hawaii Specific Evaluations***

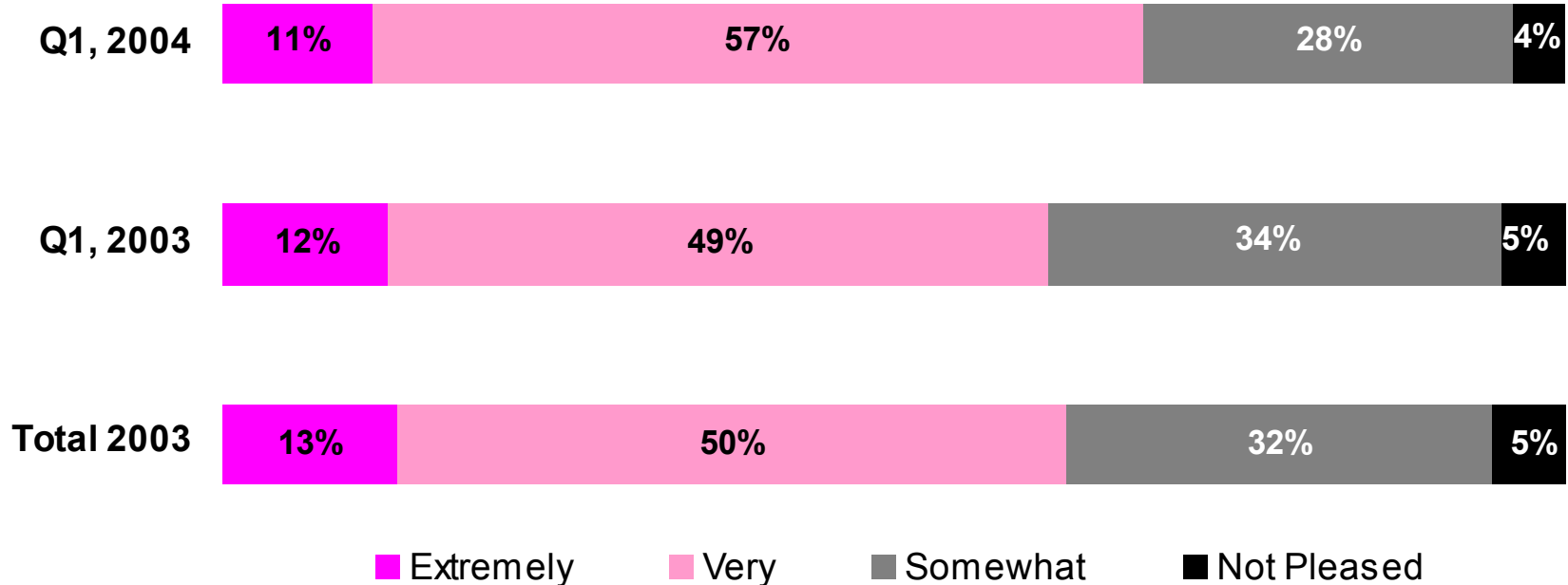
# Japanese Market: Hawaii Visitation (Q7)

- Among Quarter 1, 2004 Japanese international travelers, almost two-thirds (65%) have visited Hawaii in the past, but the proportion drops by half (to 31%) when limited to the past three years.
- The proportion of past visitors is stronger than year-earlier results for each time frame (ever, past three years, and past year).
- The average number of visits increases with more recent visitation, following the pattern noted among US travelers, albeit lower numbers. The number of visits is comparable to last year's Quarter 1.

	Visited Hawaii					
	Total 2003	W1: Jan-Mar 03	W2: Apr-Jun 03	W3: Jul-Sept 03	W4: Oct-Dec 03	W1: Jan-Mar 04
<b>Total Japanese Market (Base)</b>	<b>1,642</b>	<b>422</b>	<b>410</b>	<b>408</b>	<b>402</b>	<b>435</b>
<b>% Ever Visited Hawaii</b>	<b>60%</b>	<b>57%</b>	<b>63%</b>	<b>64%</b>	<b>55%</b>	<b>65%</b>
<b>Average # of Trips to Hawaii</b>	<b>2.4</b>	<b>2.2</b>	<b>2.5</b>	<b>2.4</b>	<b>2.2</b>	<b>2.4</b>
<b>% Visited Hawaii Past 3 Years</b>	<b>28%</b>	<b>28%</b>	<b>30%</b>	<b>29%</b>	<b>26%</b>	<b>31%</b>
<b>Average # of Trips to Hawaii</b>	<b>3.0</b>	<b>2.8</b>	<b>3.4</b>	<b>3.1</b>	<b>2.8</b>	<b>2.9</b>
<b>% Visited Past Year</b>	<b>13%</b>	<b>12%</b>	<b>14%</b>	<b>12%</b>	<b>12%</b>	<b>14%</b>
<b>Average # of Trips to Hawaii</b>	<b>3.8</b>	<b>3.5</b>	<b>4.3</b>	<b>3.6</b>	<b>3.6</b>	<b>3.4</b>

# Japanese Market Hawaii Visitors: How Pleased With Last Visit (Q13) (Ever Visited)

- In addition to ranking above competitive destinations on the satisfaction index (shown earlier), visitors rate Hawaii high in its ability to please. Two-thirds (68% -- above last year's 61%) were *extremely or very pleased*, although visitors tend to choose the latter.
- Only 1 of the Quarter's 267 visitors indicated "*not at all pleased*."

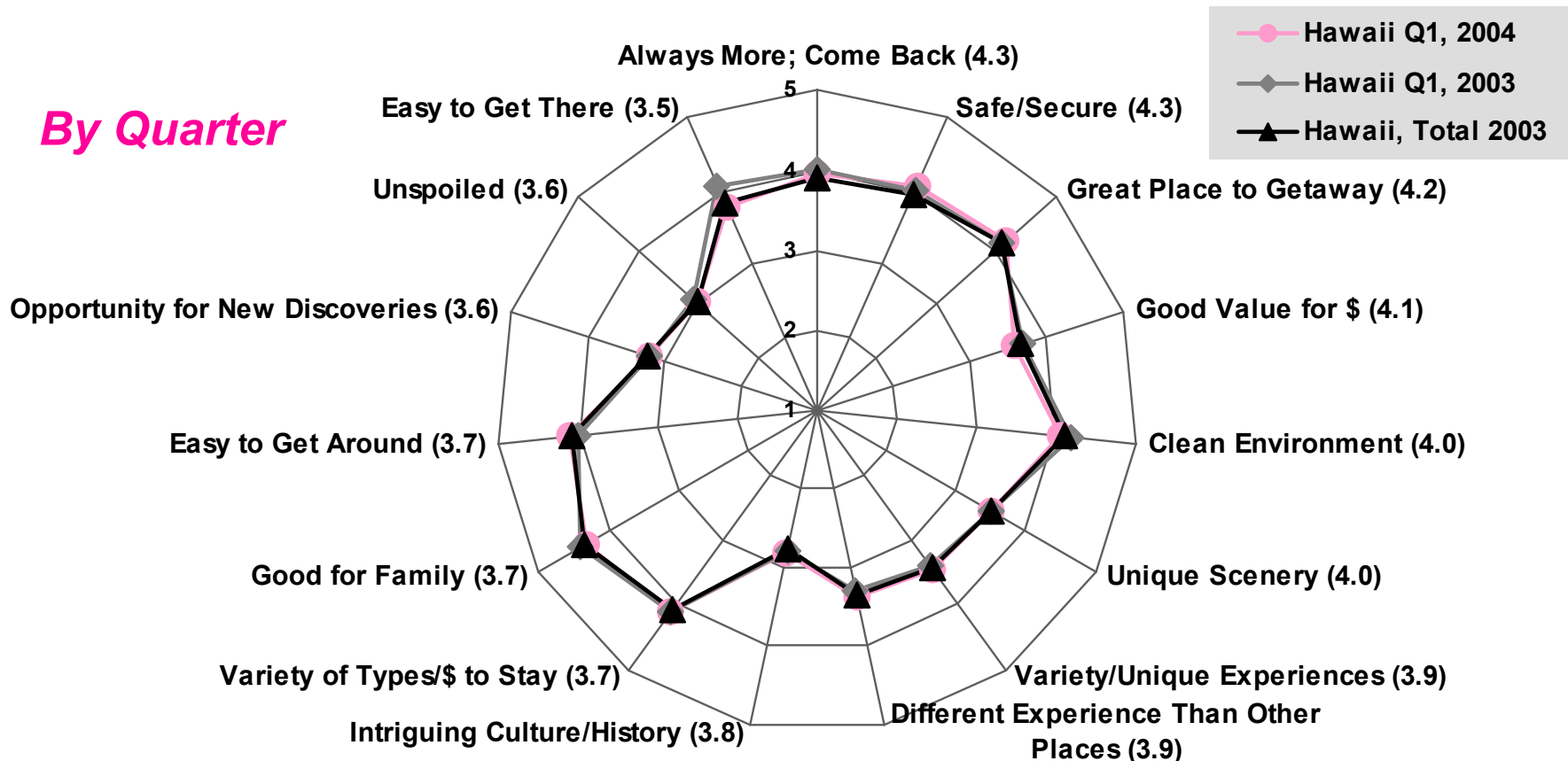


***Japanese Market:  
Importance of Attributes and Ratings of  
Hawaii vs. Competitive Destinations***

# Japanese Market: Hawaii Ratings (Q5)

- Comparing Quarter 1, 2004 to Quarter 1, 2003, travelers score Hawaii's image marginally higher on *Easy to Get Around* and lower on *Good Value for the Money*, *Clean Environment*, and *Easy to Get There*.

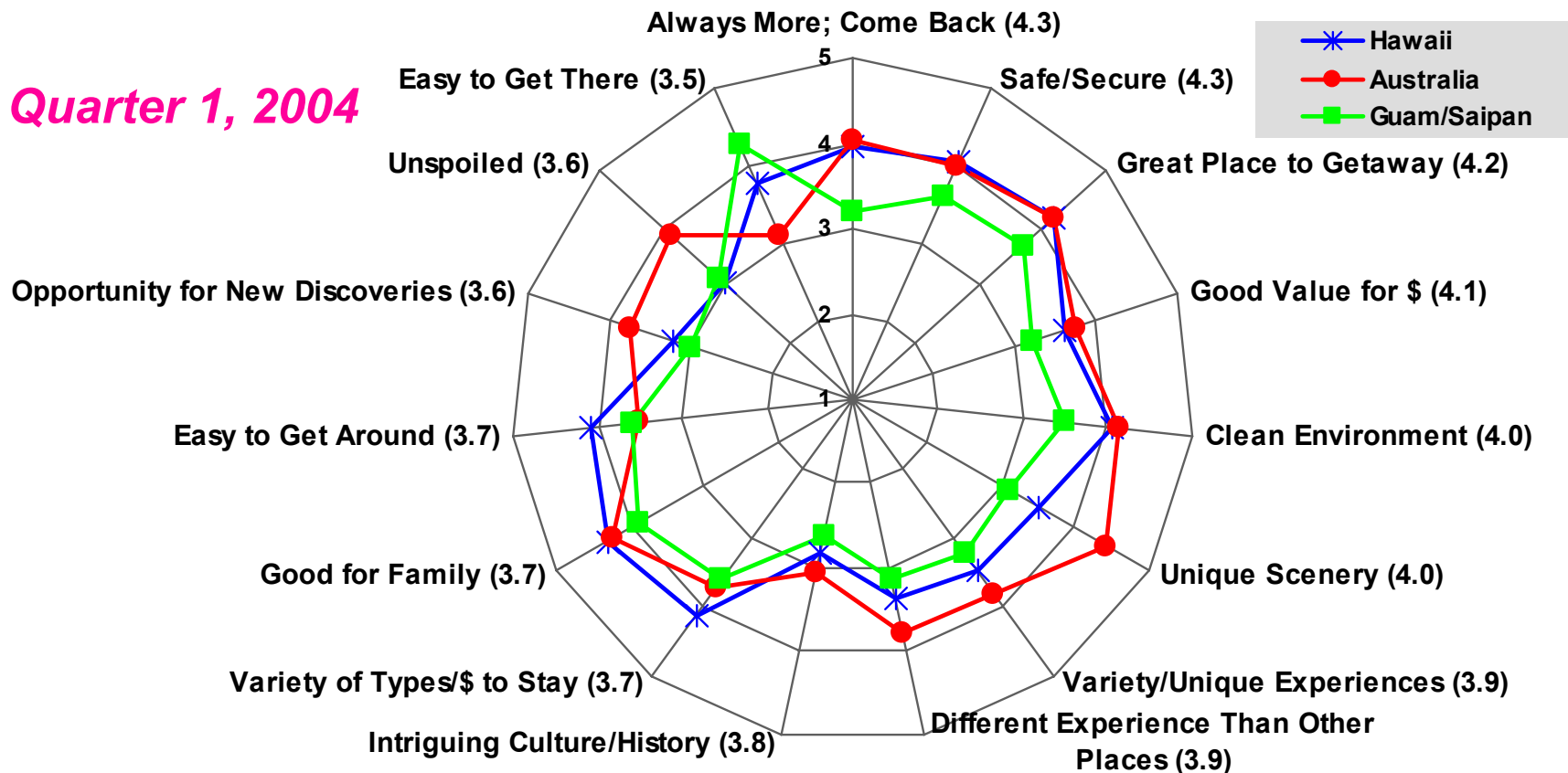
## By Quarter



# Japanese Market: (Gap) Hawaii/Australia/ Guam-Saipan (Q5)

- Quarter 1, 2004 exhibits the same pattern as that shown for total 2003 where **Guam/Saipan** falls short of **Hawaii** and **Australia** on most of these dimensions, except that it leads on *Easy to Get There*.
- **Australia** typically leads, but **Hawaii** matches it on several dimensions and receives better scores on: *Variety of Types and Prices of Places to Stay*, *Easy to Get Around*, and *Easy to Get There* (although short of **Guam/Saipan**).

## Quarter 1, 2004

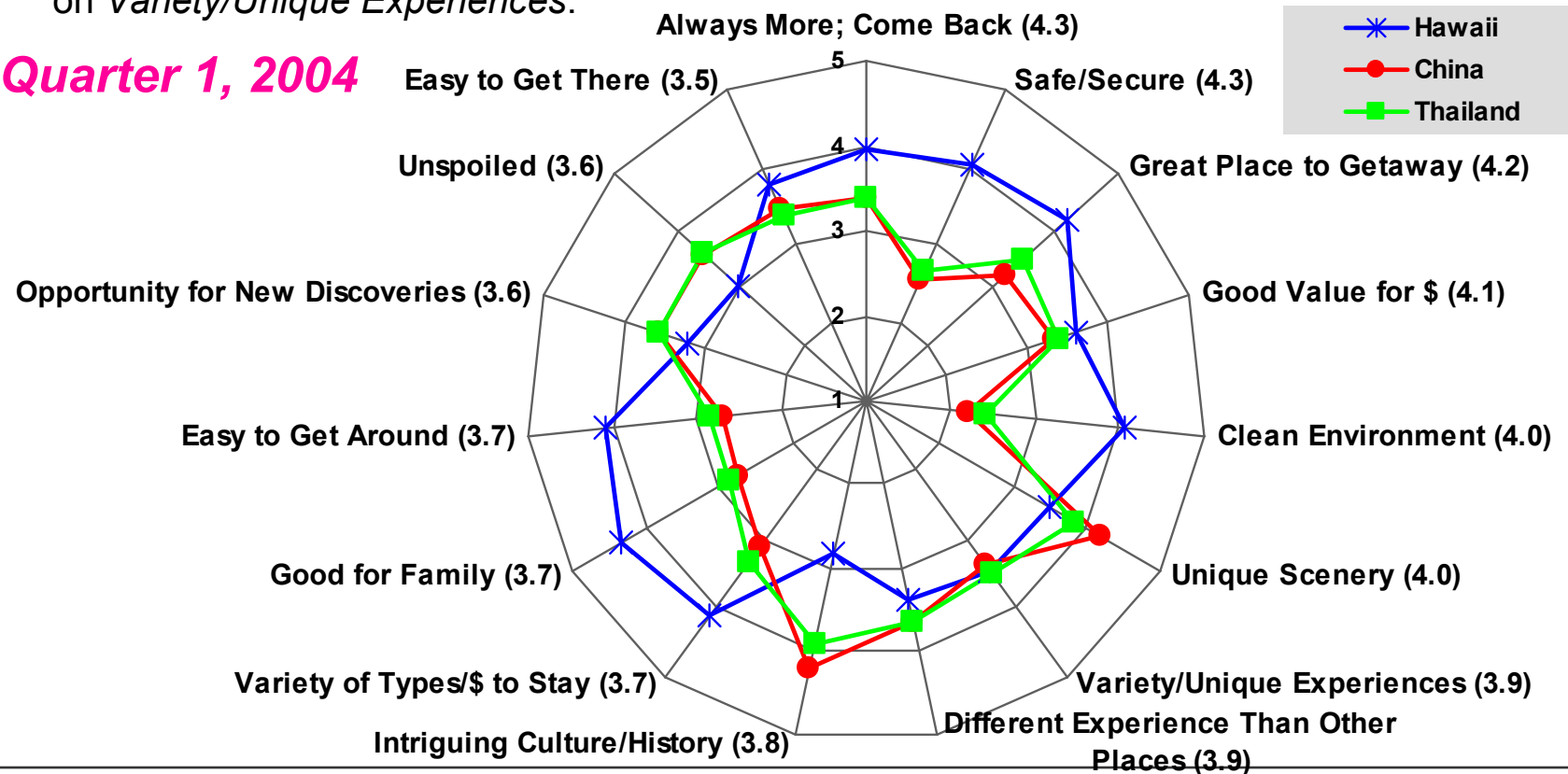




# Japanese Market: (Gap) Hawaii/China/Thailand (Q5)

- Quarter 1, 2004 reflects the same patterns. **Hawaii** “wins” by wide margins on most attributes, including the five most important ones (although the gap is smaller on *Good Value for the Money*).
- China** and **Thailand** continue to receive higher scores on: *Unique Scenery Unlike Anywhere Else, Different Experience Than Other Places, Intriguing History and Culture, Opportunities for New Discoveries*, and *Unspoiled*. The three regions receive similar scores on *Variety/Unique Experiences*.

## Quarter 1, 2004



***Factor Analysis:***  
***Importance of Attributes in US and Japan***

# US Market: Importance Factors (Q5)

---

The following two charts present the results from the factor analysis prepared from the importance of attributes assigned by respondents when selecting a destination (developed from total 2003 surveys).

The factors were prepared for the US and Japan separately to allow for cultural variances. They are listed in order of the importance of the factors.

The primary attributes for each factor are shown and are listed in the rank order of their “loading” score.

The importance score shown in parentheses is the importance of the primary attributes weighted by their loading scores to the factor.

# US Market: Importance Factors (Q5) *(cont.)*

---

**Easy, Value, Safe, Clean (4.0):** Easy to get there, good value for money, easy to get around, safe/secure, clean environment, variety of types/prices of places to stay

**Unique and Unspoiled (3.7):** Unique scenery unlike anywhere else, unspoiled and not over-developed

**New Discoveries/Unique (3.5):** Opportunities for new discoveries, variety of cultural activities, always new activities, more to “come back for,” intriguing history/culture, variety of unique experiences, different experience than other places

**Good for Family/Friendly (3.3):** Good for family/children, local people are friendly

**Social Scene (3.2):** Romantic, variety of nightlife, place to “get away from it all,” cuisines and dining options

**Events & Entertainment (2.8):** Special events/festivals, entertainment (theatre, concerts, galleries), shopping

**Active Recreational Choices (2.7):** Adventure activities; nature activities, wide variety of recreational activities

**Golfing (1.6):** Great place to golf

# Japanese Market: Importance Factors (Q5)

---

**Great Place to Getaway (4.2):** Great place to “get away from it all”

**Good Value/New Discoveries (4.1):** Good value for the money, more to “come back for,” opportunities for new discoveries, easy to get around

**Unique and Unspoiled (3.9):** Unique scenery unlike anywhere else, intriguing history/culture, unspoiled and not over-developed, different experience than other places, variety of unique experiences

**Clean, Safe, Family Oriented (3.7):** Clean environment, safe and secure, good for family/children, easy to communicate in native language, variety of types/prices of places to stay, easy to get there, local people are friendly

**Active Recreational Choices (2.8):** Nature activities, always new activities, adventure activities, many things to do for active lifestyles, variety of cultural activities, wide variety of recreational activities, great place to golf

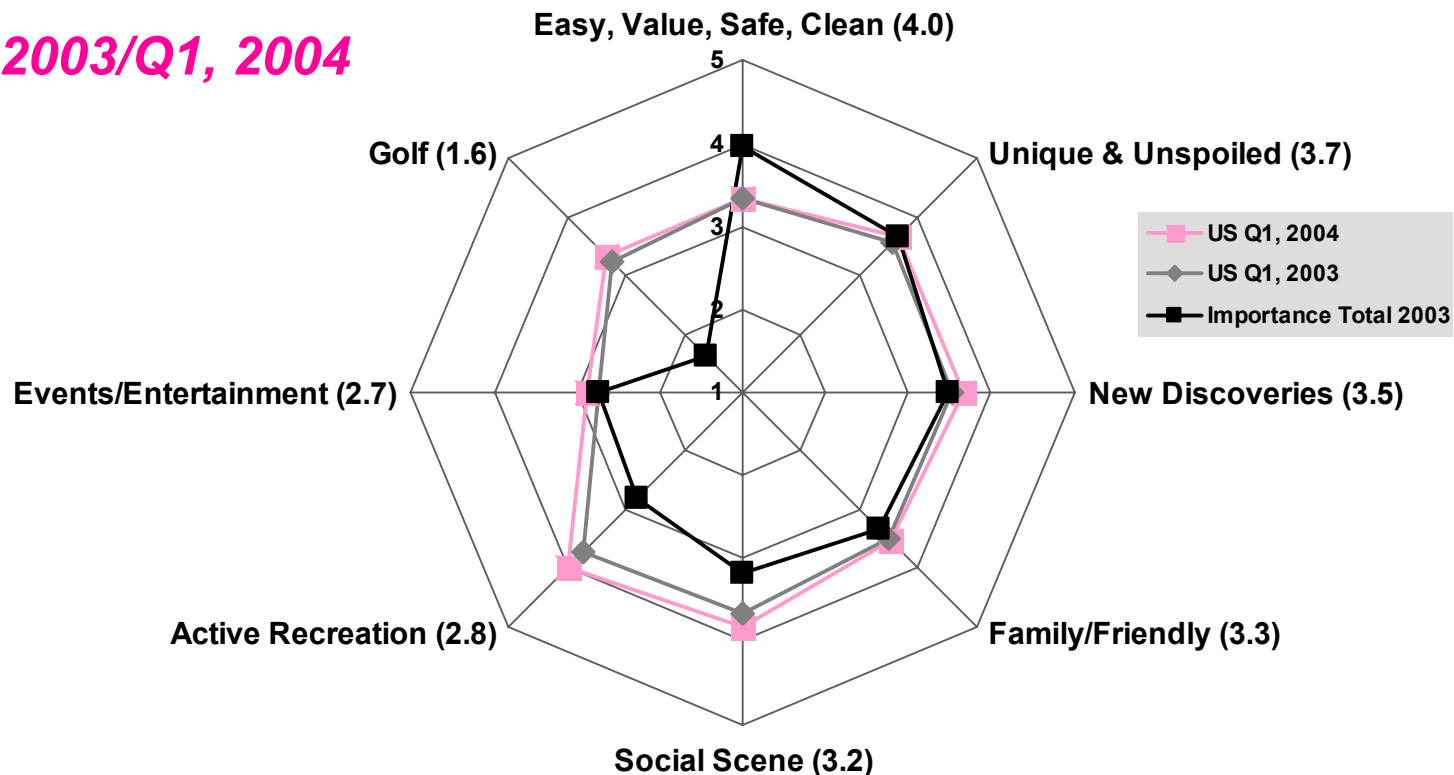
**Social Scene (2.8):** Variety of nightlife, entertainment (theatre, concerts, galleries), cuisines and dining options, romantic, special events/festivals, shopping

***US and Japanese Markets:  
Weighted Importance of Factor Group  
Compared to Weighted Factor Rating of Hawaii***

# US Market: Importance of Factors and Rating of Hawaii (Q5)

- Ratings of Hawaii meet or exceed the importance level for every factor except *Easy, Value, Safe, and Clean*.
- The state is particularly strong on *Active Recreation Choices*, *the Social Scene*, and a *Place to Play Golf* (although it is important to only a subgroup of visitors).
- Hawaii's ratings are similar to the year-ago Quarter 1 with slight improvement for: *New Discoveries*, *Social Scene*, *Active Recreation*, and *Events/Entertainment*.

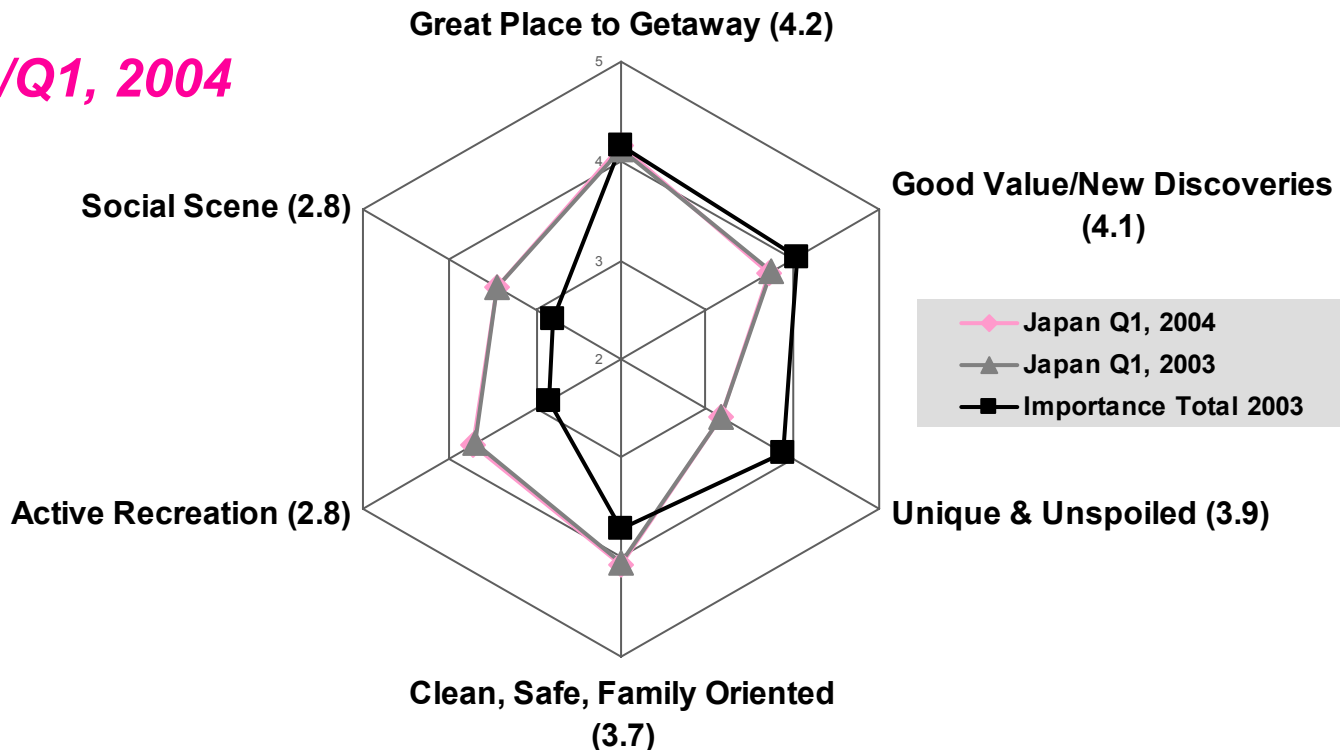
**Q1, 2003/Q1, 2004**



# Japanese Market: Importance of Factors and Rating of Hawaii (Q5)

- The Japanese rate Hawaii differently than US travelers. They categorize attributes differently and view their importance differently. The key reason for vacationing, to the Japanese, is to find a *Place to Get Away* from it all. Hawaii meets this need.
- Although a negative gap exists between the importance and Hawaii's measure on *Good Value/New Discoveries* and *Unique* (scenery and culture) and *Unspoiled*; Hawaii receives strong scores for the remaining factors.
- Compared to a year ago, virtually no changes appear.

**Q1, 2003/Q1, 2004**





***Rating of Hawaii by Visitor Type:  
Those Who Assign High Importance to  
Golf, Cuisine, Culture, or Romance/  
Adventure in US and Japan***

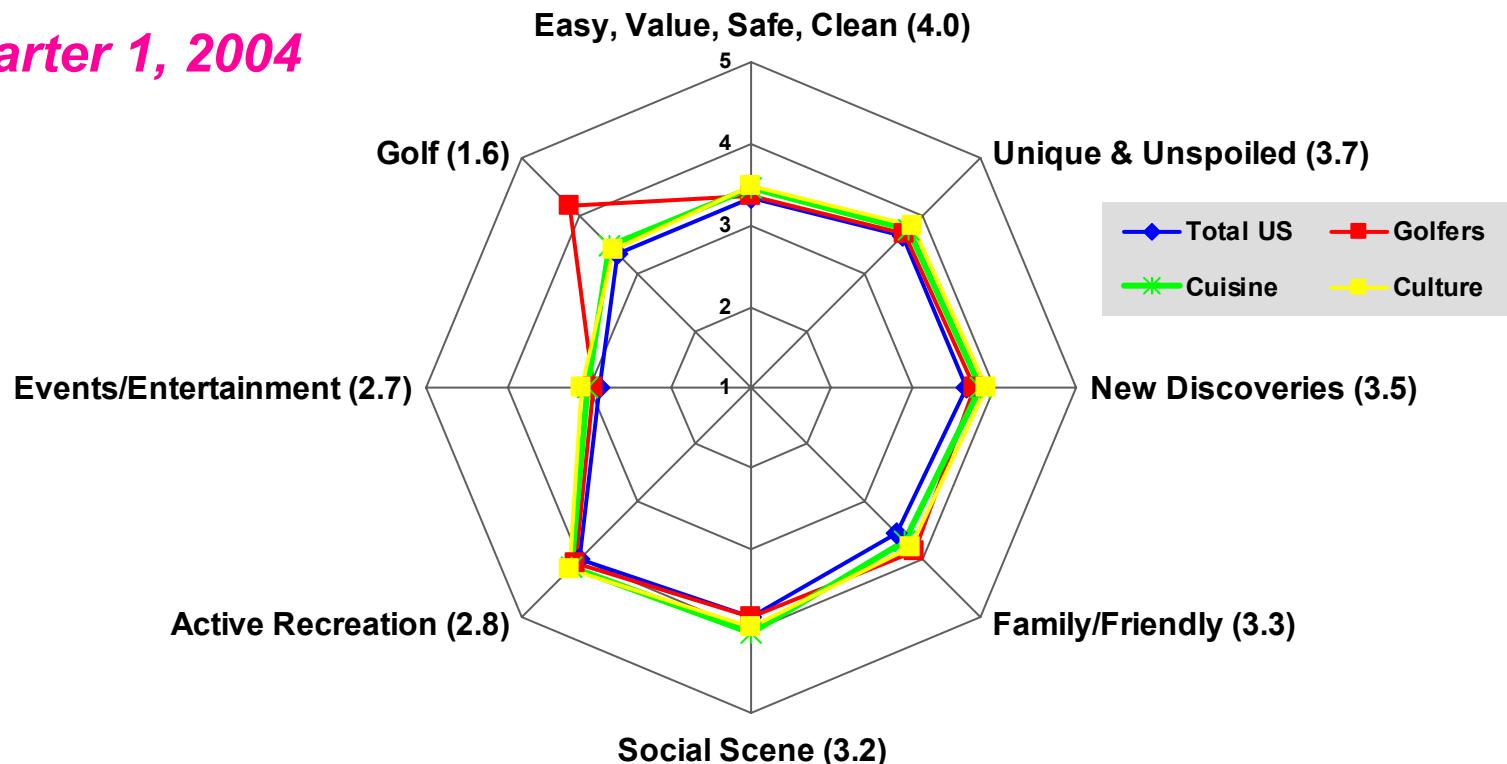
***Ratings of Hawaii by Factor Groupings,  
Each Weighted by Its Primary Components,  
Appear on Following Spider Charts***

***Quarter by Quarter Changes Located in Appendix***

# US Market: Rating of Hawaii by Important Activity (Q5)

- Generally, those who consider specific features of a destination to be important typically rate Hawaii very high on them (Total US respondents, in blue, always rate Hawaii at or below those with specific interests). The result is most noticeable among Golfers. The least variation occurs in “Cuisine,” in part because the attribute is more universally appealing.
- Quarterly year-to-year differences, by segment, are presented in the appendix. Except for a slight decline on a couple of dimensions rated by Golfers, Hawaii consistently receives higher scores than last year.

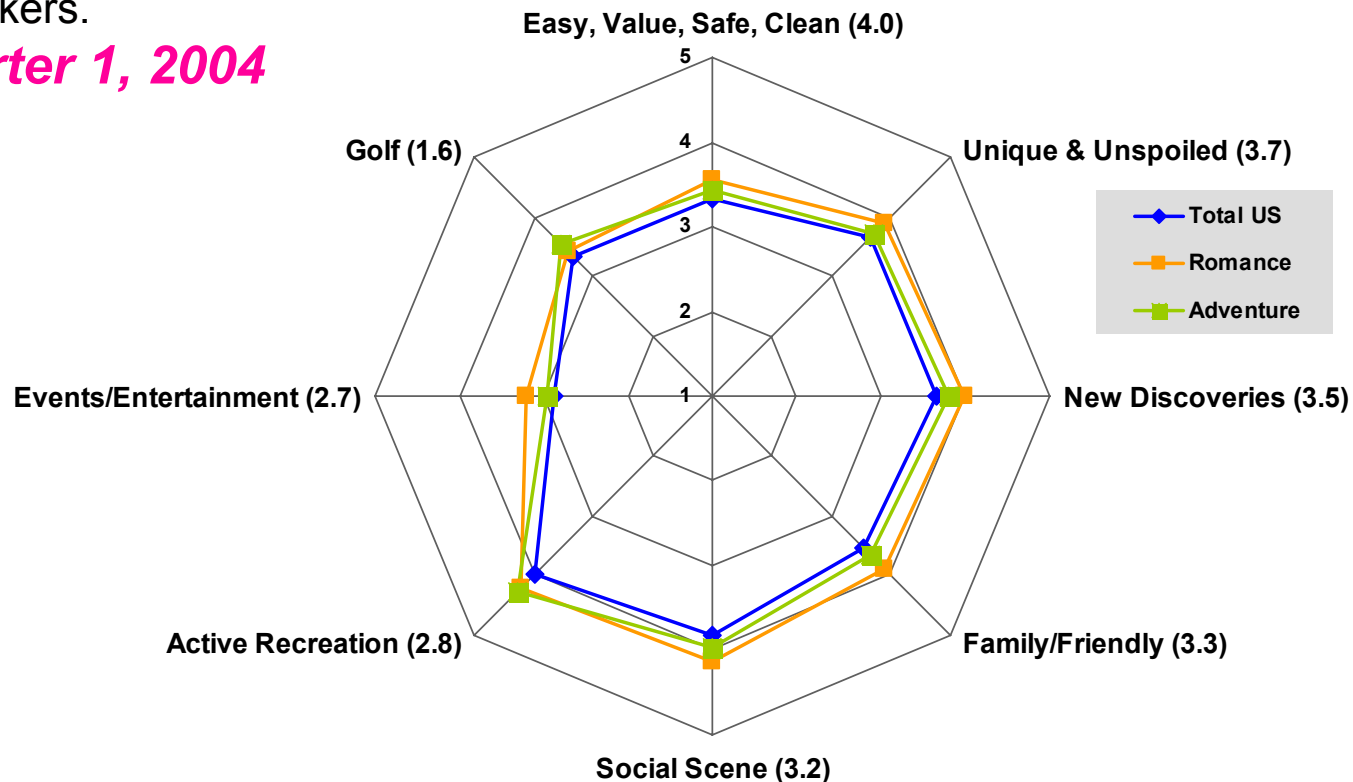
## Quarter 1, 2004



# US Market: Rating of Hawaii by Important Activity (Q5)

- Those who travel to destinations for romance and adventure assign high scores to Hawaii on almost all aspects. Adventure Seekers seem especially pleased with Hawaii's Active Recreation and Golf options. Romantics rate the Social Scene (where it "loads" in the factors) and *Family/Friendly* somewhat higher than others.
- Generally, the quarterly year-to-year differences (see appendix) illustrate small increases on most dimensions by Romantics and slight decreases among Adventure Seekers.

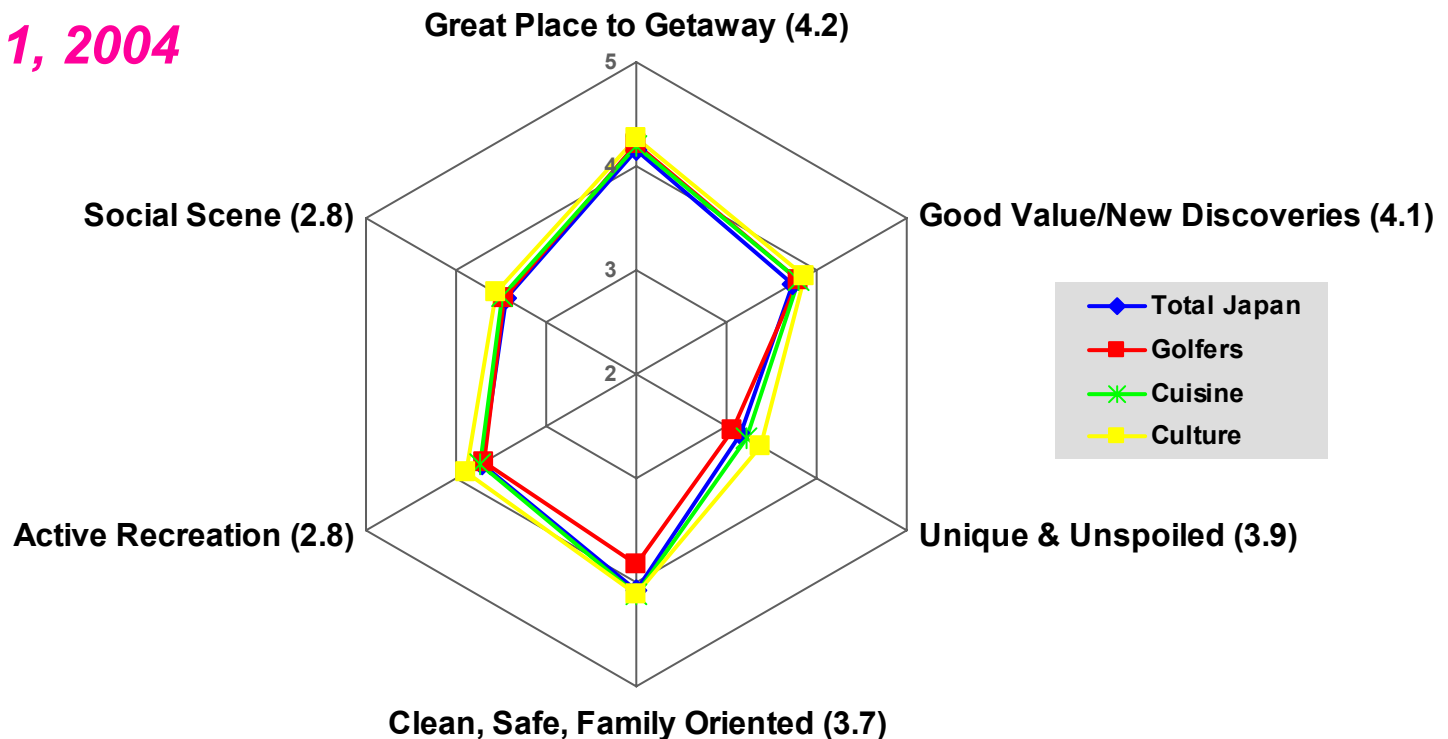
**Quarter 1, 2004**



# Japanese Market: Rating of Hawaii by Important Activity (Q5)

- The Japanese travel types show very little variation when rating Hawaii. Culture Seekers tend to rate Hawaii higher than other groups, Golfers a bit lower than others, and Cuisine Seekers generally follow the pack.
- Compared to a year ago, only minimal changes appear (see appendix).

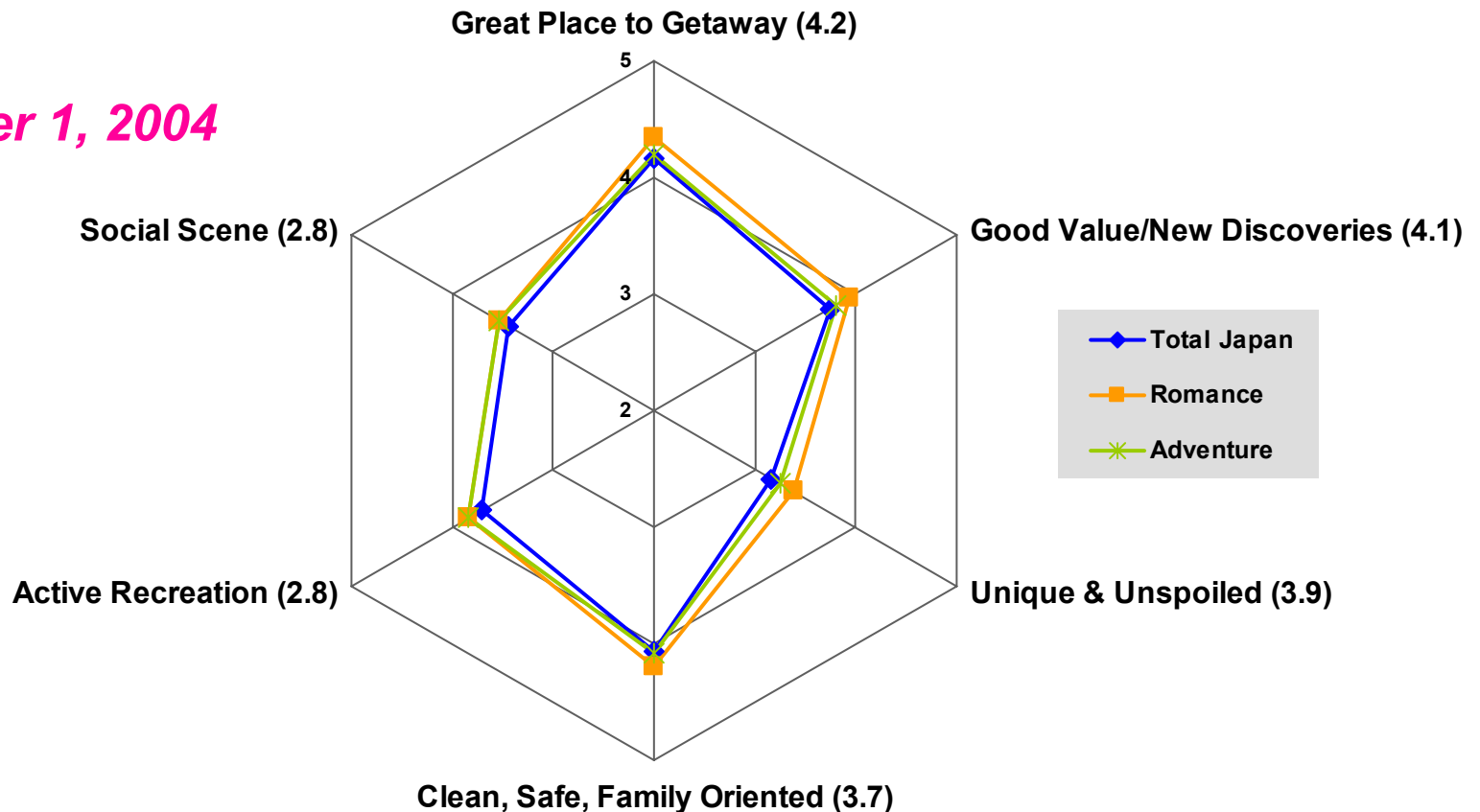
**Quarter 1, 2004**



# Japanese Market: Rating of Hawaii by Important Activity (Q5)

- Romance and Adventure Seekers from Japan generally score Hawaii higher than total visitors.
- Romance Seekers tend to score items slightly higher than Adventure Seekers, except they are nearly equal for Active Recreation and the Social Scene.
- Quarterly year-to-year comparisons (in the appendix) suggest rising opinions by Romance Seekers and slight slippage among Adventure Seekers.

**Quarter 1, 2004**



***Rating of Hawaii by Spending Levels  
in US and Japan***

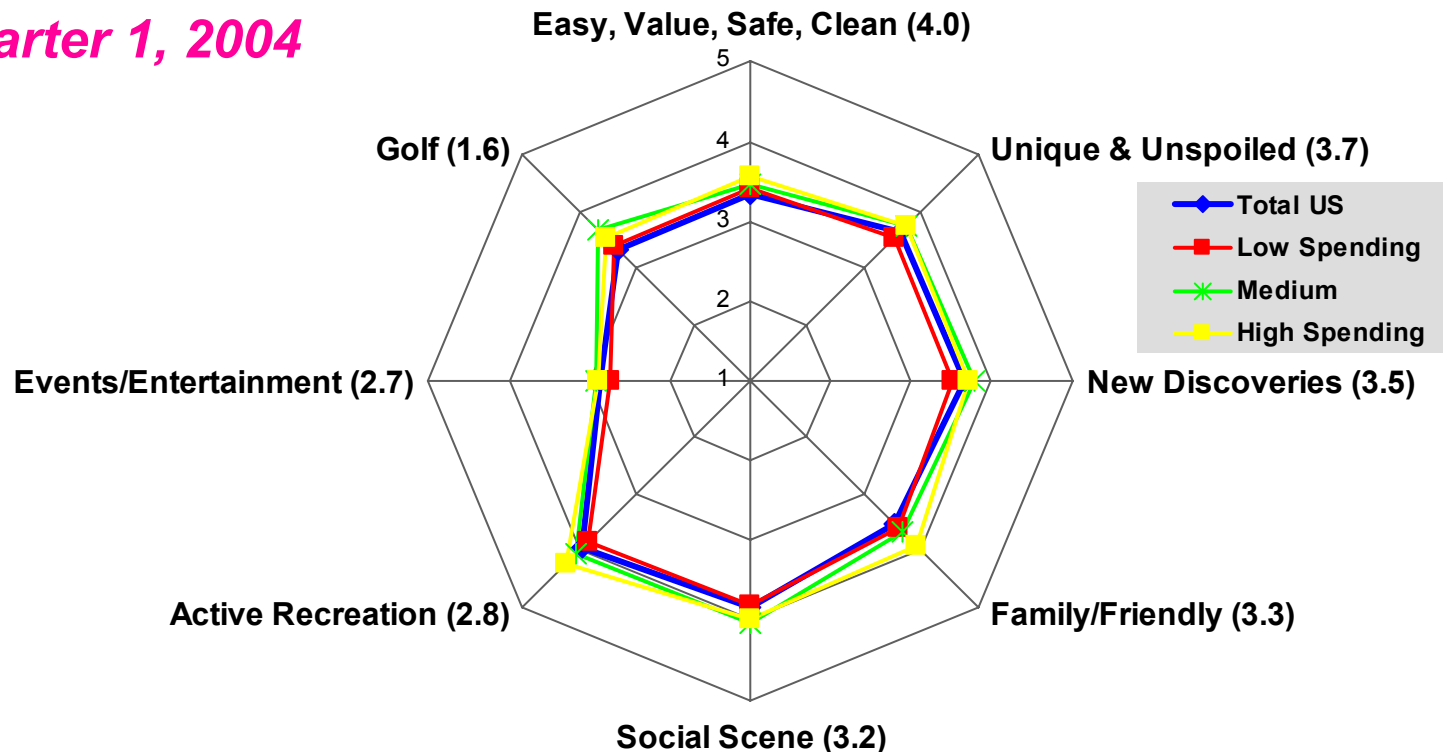
***Ratings of Hawaii by Factor Groupings,  
Each Weighted by Its Primary Components,  
Appear on Following Spider Charts***

***Quarter by Quarter Changes  
Located in Appendix***

# US Market: Rating of Hawaii by Spending Level (Q5)

- Visitor spending levels do not reveal much distinction in their assessment of Hawaii. That said, Low Spenders tend to rate Hawaii slightly lower on most dimensions – possibly because they are less likely to take advantage of them – while High Spenders seem attracted to all of Hawaii's features, and consistently rate them higher.
- Quarterly year-to-year changes are small but consistently higher than prior year for each spending level (see appendix).

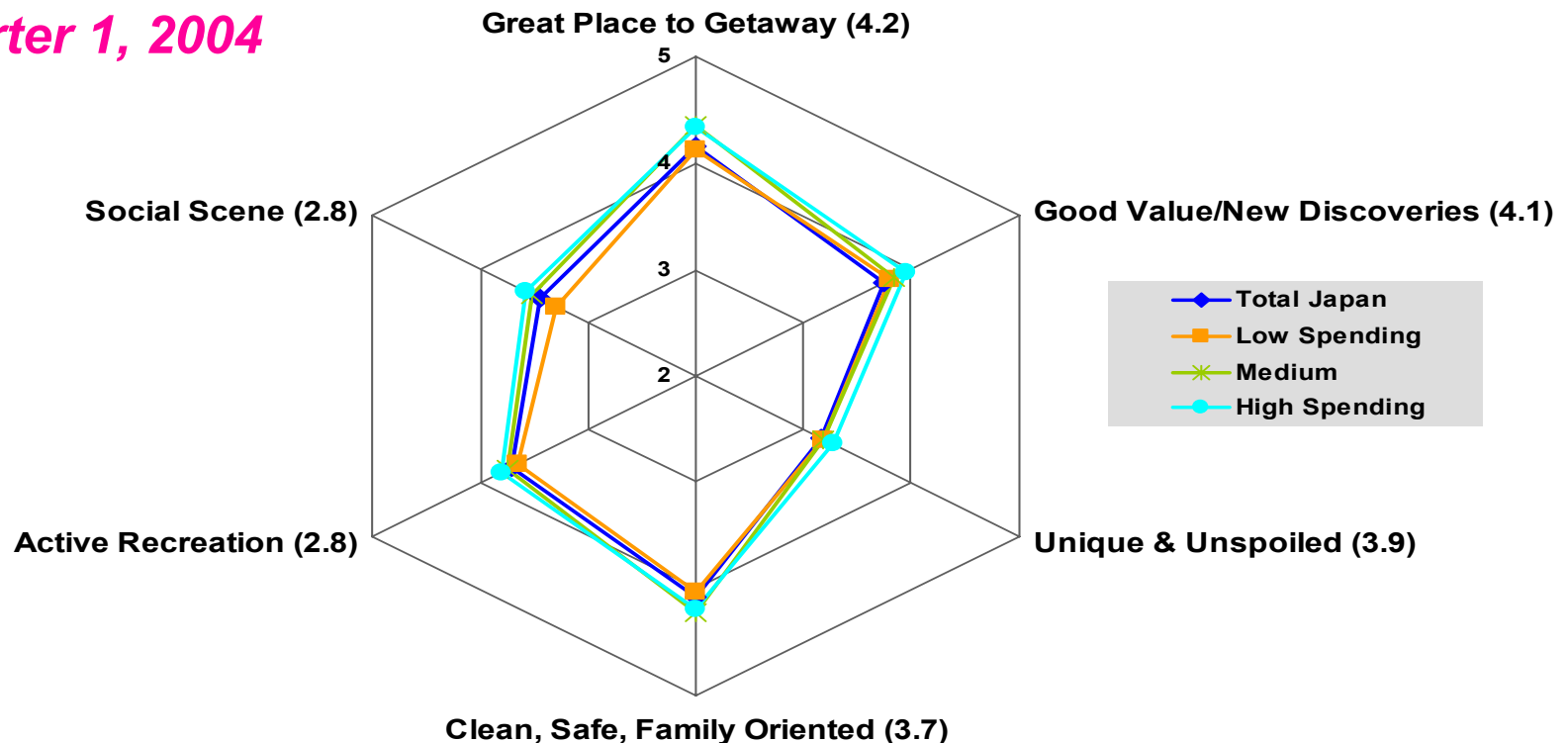
## Quarter 1, 2004



# Japanese Market: Rating of Hawaii by Spending Level (Q5)

- Similar to US results, spending levels reveal only small differentiations in Hawaii attribute ratings. As noted for the US market, the tendency exists for Low Spenders to rate Hawaii lower and High Spenders rate it higher on most factors.
- Although negligible, quarterly year-to-year comparisons (see appendix) indicate virtually no change in perceptions of Low Spenders, downward tendencies among Medium Spenders, and small gains among High Spenders.

**Quarter 1, 2004**





***Rating of Hawaii by Experiential Seekers  
in US and Japan***

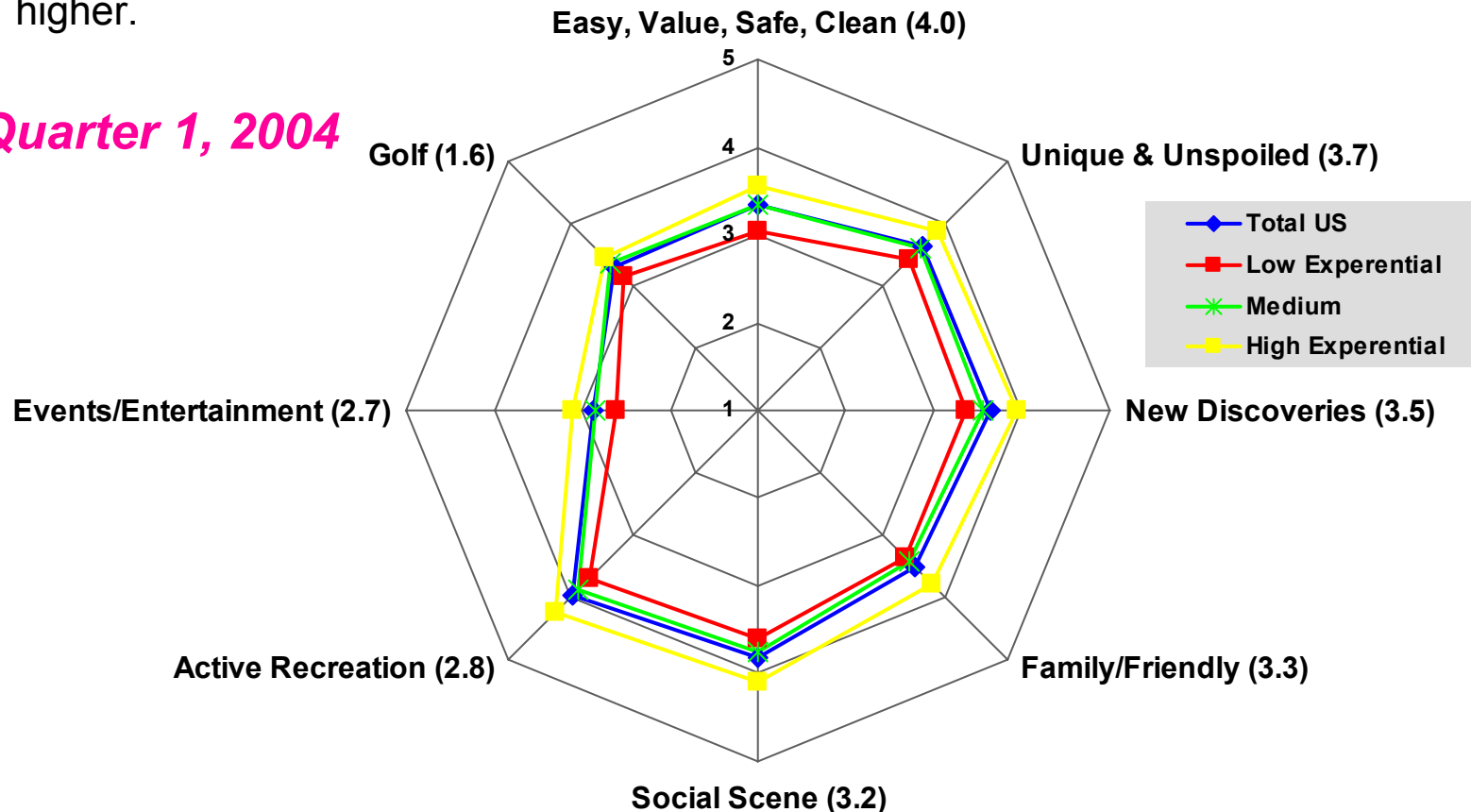
***Ratings of Hawaii by Factor Groupings,  
Each Weighted by Its Primary Components,  
Appear on Following Spider Charts***

***Quarter by Quarter Changes  
Located in Appendix***

# US Market: Rating of Hawaii by Experiential Seekers (Q5)

- The high experiential seekers consistently rate Hawaii's factors at or above all other travelers. In contrast, low experiential seekers rate them lower than others.
- Quarterly results for both Low and High Experiential Seekers tend to be marginally higher in 2004, Medium Experiential Seekers range from about the same to slightly higher.

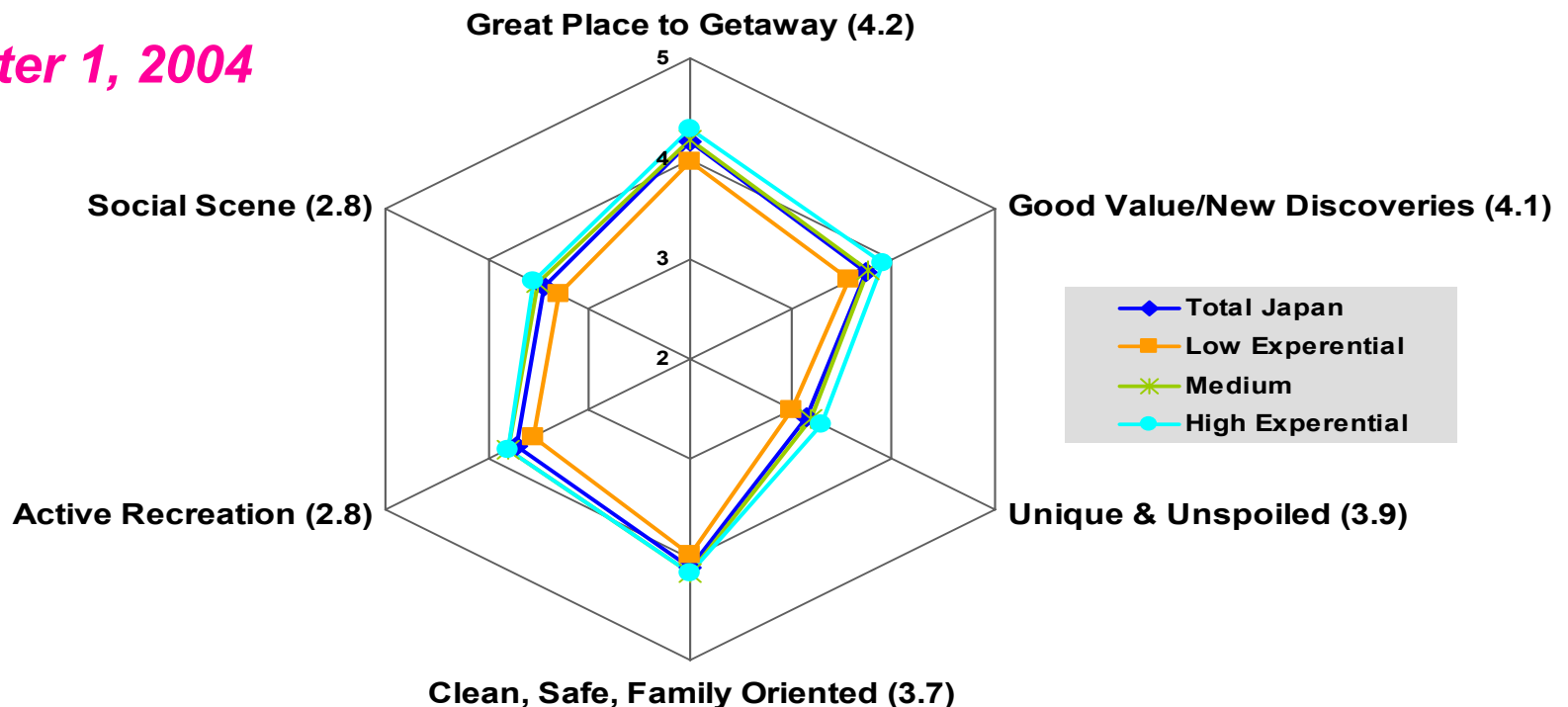
**Quarter 1, 2004**



# Japanese Market: Rating of Hawaii by Experiential Seekers (Q5)

- Japanese High Experiential Seekers, similar to the US market, consistently rate factors for Hawaii higher than Low or Medium Seekers.
- Quarterly (see appendix) differences by Japanese Experiential breaks are minimal.

**Quarter 1, 2004**





the sixth sense of business<sup>TM</sup>